



聯康集團

Uni-Bio Science

Uni-Bio Science Group Ltd.

聯康生物科技集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 0690)

ANNUAL REPORT 2025

心 創 造 新 醫 藥
LEADING GENUINE INNOVATION



ACCELERATED

GROWTH

INTERNATIONAL

EXECUTION

AGILE

We put in place a 5 year plan called Operation AGILE. AGILE stands for Accelerated Growth, International Execution. In Chinese it would be「促進增長，國際視野」.

BUILDING ON A STRONG FOUNDATION

Operational excellence is the key theme at Uni-Bio. We will continue to strive to improve and build on top of the Company's existing infrastructure. With a strong foundation, strong growth prospects are sure to follow.

OUR MISSION

Uni-Bio Science Group is dedicated to delivering innovative, high quality healthcare solutions for patients throughout China, operating responsibly and generating increasing value for our shareholders.

OUR VISION

Uni-Bio Science Group aspires to be a world leading biopharmaceutical company, focused on addressing the needs of the Chinese healthcare market through innovation and strategic partnerships.

To be recognised as the leading partner for global pharmaceutical companies to bring novel treatments to patients in China.

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WE ARE DEDICATED TO

Improving The Quality of Life of Patients

**THROUGH INNOVATIVE
TREATMENTS**



Our Commitment of Quality

Uni-Bio Science Group Limited (the “**Company**”) is a company listed on the main board of The Stock Exchange of Hong Kong Limited (stock code: 0690).

The core business of the Company and its subsidiaries (collectively referred to as “**Uni-Bio**” or the “**Group**”) is the research, development, manufacturing and sales of innovative biologic products that treat human diseases.

Uni-Bio is headquartered in Hong Kong and its main operations are in mainland China. The Group is strongly focused on research and development (“**R&D**”) and has a highly qualified team in Guangdong Province. The Group also has two GMP (“**Good Manufacturing Practices**”) – certified manufacturing plants in Beijing and Shenzhen, manufacturing our marketed products – Voriconazole and EGF respectively.

In May 2025, the Group’s second ophthalmology product, 金因康® received marketing approval from the China National Medical Products Administration (NMPA), marking a significant milestone in expanding the Group’s ophthalmic portfolio following GeneSoft®.

The Group’s corporate philosophy is to achieve better human health by bringing high quality science and treatments to patients. To this end, the Group is deeply dedicated to serve patients better through partnering. We aspire to be the “Partner of Choice” in China, bringing cost-effective and important treatments into China.

Key Financial Highlights

	Notes	Year ended 31 December	
		2025	2024
Revenue (HK\$'000)		586,211	552,980
Gross profit (HK\$'000)		487,561	461,068
R&D costs (HK\$'000)		44,944	54,694
Profit before taxation (excluding the impairment of assets)		100,154	99,919
Adjusted (EBITDA) EBITDA (HK\$'000)	1	123,176	122,458
Gross profit margin (%)		83.2%	83.4%
R&D costs to revenue (%)		7.7%	9.9%

		As at 31 December	
		2025	2024
Cash ratio (times)	2	1.63	0.53
Current ratio (times)	3	3.23	2.58
Trade payables turnover days (days)	4	67	49
Trade receivables turnover days (days)	5	43	34
Inventory turnover days (days)	6	131	139
Gearing ratio (%)	7	19.13%	26.13%
Debt-to-equity ratio (%)	8	40.3%	58.9%
Total assets turnover (%)	9	101.1%	106.8%

Notes for key ratios:

- Adjusted EBITDA (LBITDA): Earnings before taxation minus interest expense, impairment loss, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortization of intangible assets and prepaid lease payments
- Cash ratio: Bank balances and cash/current liabilities
- Current ratio: Current assets/current liabilities
- Trade payables turnover days: Average of opening and closing balances on trade payables (exclude VAT)/cost of sales and multiplied by 365 days
- Trade receivables turnover days: Average of opening and closing balances on trade receivables(exclude VAT)/turnover and multiplied by 365 days
- Inventory turnover days: Average of opening and closing balances on inventory/cost of sales and multiplied by 365 days
- Gearing ratio: Total debt divided by total capital plus total debt. Total debt is calculated as borrowings, loan from a connected party and lease liabilities. Capital includes equity attributable to owners of the Company.
- Debt-to-equity ratio: Total liabilities/total equity
- Total assets turnover: Total revenue/total assets

GROSS PROFIT MARGIN

83.2%

R&D COSTS TO
REVENUE

7.7%

REVENUE (HK\$'000)

586,211



Leading Genuine Innovation

Chairman's Statement

Chairman's Statement

Dear esteemed shareholders, employees and key stakeholders,

On behalf of Uni-Bio Science Group Limited, I am pleased to present the annual results for the year ended 31 December 2025 (the "Year").

As we enter 2026, the evolving market landscape presents compelling opportunities. With the easing of volume-based procurement (VBP) intensity and increasing policy support in China for global out-licensing, prices are expected to decline in the near term and gradually stabilize, shifting the market from "low-price competition" to sustainable, value-oriented competition. The operating environment is becoming increasingly favourable for innovation-led growth, positioning us to deliver long-term value to our stakeholders. With eight products in the market and a proven track record in research, development, and commercialization, the Group has built a solid foundation for sustainable growth. Meanwhile, construction of our new manufacturing facility is progressing steadily. As operations are targeted to commence in 2027, our capital expenditure requirements are expected to gradually moderate. Against this strengthening backdrop, we have strategically defined "innovation-driven development" as the next chapter of our growth.



KINGSLEY LEUNG
(Chairman)

Chairman's Statement

During the Year, we made meaningful progress in strengthening our product lines across regenerative medicine and related therapeutic areas. Key milestones included:

1. Bogutai® delivered strong domestic growth with global expansion in progress
2. 金因康® approved for market, ushering in a new era of dry eye treatment
3. GeneQueens® and 金因敷® launches marked major steps in integrated medical aesthetics solutions

Since our 2022 turnaround, we have delivered robust financial performance and steady pipeline advancement, underscored by four consecutive years of record-breaking profitability, sustained positive operating cash flow, and a second year of dividend payouts.

Building on this foundation, I am delighted to report another year of record-high profit. Despite the decrease in revenue of Pinup® due to intensified competition under China's volume-based procurement framework, which led to a price reduction, the Group still achieved a 6.0% year-on-year increase in total revenue, reaching HK\$586.2 million, while profit for the Year surged by 12.7% to HK\$93.3 million. These achievements reflect the successful commercialization of our diverse product portfolio, effective marketing execution, and the continued maturation of our R&D pipeline. The balance of disciplined financial management and prudent growth has further solidified the Group's foundation for long-term value creation. On the strength of solid cash generation, the Board has recommended a final dividend of HK\$0.313 cents per share.

The Year brought the Group's work into sharper focus, as we were honoured with several prestigious industry recognitions that reflect our momentum and commitment. We received the "2025 Most Promising ESG Potential Award for Hong Kong Stocks" at the ESG & Enterprise Value Growth Summit, and the South China Morning Post named us the "Company of the Year". Being acknowledged alongside globally renowned peers underscores the Group's financial strength, technological innovation, and deep commitment to ESG excellence. We remain confident in our strategies and capabilities, and we are dedicated to delivering sustainable growth and enduring value for our shareholders and stakeholders.

Concurrently, we are entering a new phase of strategic development, shifting from "Stable Growth" to "Innovation-Driven". Our corporate vision is evolving toward establishing a global leadership position in regenerative medicine, redefining how science restores and extends human life. This bold trajectory is powered by next-generation synthetic biology and complex peptide innovation. Our strategic focus centers on four key regenerative fields: muscular-skeletal regeneration, skin regeneration, ocular regeneration, and ENT regeneration.

To accelerate our ambition in new and emerging areas, we are increasing investment in our internal R&D pipeline and advancing the development of next-generation drug candidates, while simultaneously strengthening collaboration with leading academic and research institutions. In December 2025, we entered into a tripartite strategic agreement with the National Engineering Research Center for Cell Growth Factor Drugs and Protein Formulations of Wenzhou Medical University and the People's Government of Ou Hai District, Wenzhou. This partnership integrates the Group with a national-level research platform and regional industrial ecosystem, enabling collaborative R&D on combined EGF/FGF therapies for burns, dermatology, ophthalmology, and other indications. We believe this collaboration will amplify our R&D capabilities, broaden clinical validation through affiliated hospital networks, accelerate indication expansion, and facilitate efficient market access.

Looking ahead to 2026, the Group remains firmly committed to breakthrough drug development, strategic partnerships, and commercialization excellence. In terms of near-term pipeline progress, the IND submission of EGF/bFGF compound gels using our proprietary thermosensitive gel technology, together with the regulatory submission for new 0.5ml BFS packaging, are expected to be completed in the coming year. Beyond our established EGF-based products, we will sustain our ongoing research in areas such as indications related to muscle and bone growth and medical aesthetics, which form part of the Group's broader regenerative medicine pipeline. We are also selectively evaluating early-stage opportunities in unmet clinical needs that leverage our core platform capabilities. In parallel, we will more actively pursue strategic partnerships that enhance our discovery capabilities in complex peptides and mini-proteins. Underpinning these efforts are our two core research platforms — the Advanced Synthetic Biology Platform and the Biological Hydrogel Technology Platform — which will continue to drive our R&D progress across the regenerative medicine field and support long-term pipeline resilience.

Concurrently, we will continue to elevate our omnichannel marketing capabilities to support an increasingly diversified product portfolio. By integrating online and offline resources and tailoring engagement strategies to each product line, we will broaden market reach and strengthen brand recognition.

APPRECIATION

On behalf of the Board, I would like to express my sincere appreciation to our investors, customers, employees, partners and suppliers for their continued trust and support. With a clear strategic direction, disciplined execution, and a strong scientific foundation, the Group remains confident in its long-term development and its ability to create sustainable value for all stakeholders.

Kingsley Leung

Chairman

27 March 2026

The background of the slide is a night cityscape with a network overlay. The city lights are visible in the lower half, while the upper half is dominated by a dark blue sky with a network of white lines and dots, suggesting a global or technological theme.

Accelerate Growth International Execution

Management Discussion and Analysis



Management Discussion and Analysis

MARKET REVIEW

China's pharmaceutical industry is experiencing robust growth driven by demographic shifts, rising healthcare expenditures, and ongoing scientific innovation. The market reached US\$240.8 billion in 2024 and is projected to grow to US\$460.9 billion by 2035, reflecting a CAGR of 6.1%¹. The sector has transitioned from a generics-focused market to an innovation-driven ecosystem, supported by regulatory reforms that promote first-in-class and best-in-class drug development. In 2025, 76 innovative drugs were approved, significantly surpassing the 48 approvals in 2024.

In 2025, China's innovative pharmaceuticals witnessed a surge in international licensing transactions, with the total value exceeding US\$130 billion by December², which is equivalent to 2.5 times the total for 2024. Chinese innovative drug licensing transactions now account for 49% of the global total³, surpassing the United States ("U.S.") for the first time. This milestone highlights the increasing global clinical value of Chinese innovations, as leading international pharmaceutical companies invest billions in support of China's research capabilities, clinical data quality, and market potential.

The rising incidence of chronic and genetic diseases, coupled with an aging population, is driving demand for regenerative medicine, which has become a national policy priority. The 14th and 15th Five-Year Plans emphasize technological innovation, including stem cell research, gene therapy, and tissue engineering, aimed at preventing redundancy and fostering a high-level biopharmaceutical sector. These initiatives will enhance the commercialization of scientific advances and position China to capitalize on long-term opportunities in regenerative healthcare.

In the medical aesthetics sector, the industry has expanded beyond traditional plastic surgery to include minimally invasive procedures and anti-aging treatments. The market for medical aesthetics services reached RMB370.1 billion in 2025⁴, propelled by increased demand for safe, effective products that address specific skin concerns. Strengthened policies and regulatory frameworks are guiding the sector toward healthier and more orderly development.

BUSINESS REVIEW

Uni-Bio Science Group — A Fully Integrated Biopharmaceutical Company and A Future Global Leader in Regenerative Medicine

Uni-Bio Science Group is an innovative biopharmaceutical company committed to powering the advancement of regenerative medicine with next-generation synthetic biology and complex peptide innovation. Focusing on four core research areas, including muscular-skeletal regeneration, skin regeneration, ocular regeneration, and ENT (Ear, Nose, and Throat) regeneration, the Group has built a diversified product pipeline encompassing innovative biologics, high-value generic drugs, and medical aesthetics. The Group operates GMP-compliant production bases in Beijing, Dongguan, and Shenzhen, with fully integrated capabilities spanning R&D, manufacturing, and commercial sales. Uni-Bio Science Group is dedicated to becoming a global leader in regenerative medicine, redefining how science restores and extends human life.

As of 31 December 2025, the Group has eight products in the market, namely GeneTime®, GeneSoft®, Pinup®, Boshutai®, Bogutai®, 肌顏態®, 金因敷® and 金因康®.

¹ CIC Report: <https://www1.hkexnews.hk/app/sehk/2026/108125/a129589/sehk26012301204.pdf>

² https://www.nhsa.gov.cn/art/2026/1/18/art_14_19392.html

³ <https://www.stcn.com/article/detail/3569424.html>

⁴ iiMedia: <https://www.iimedia.cn/c400/168641.html>

KEY ACCOMPLISHMENTS IN 2025

In 2025, the Group achieved notable progress across its product commercialization and R&D pipelines, reinforcing its position as a profitable, research-driven biopharmaceutical company committed to continuous product innovation and diversification.

Diversified Portfolio Fueled Record-breaking Results for 2025

In 2025, the Group delivered record-breaking financial results, with revenue recorded a 6.0% year-on-year (“**YoY**”) increase, reaching approximately HK\$586.2 million. Profit for the year ended 31 December 2025 (the “**Year**”) soared by 12.7% YoY to approximately HK\$93.3 million, and net profit margin increased by 1.0 percentage points YoY to 15.9%, marking a historic high. The earnings per share reached approximately HK\$1.56 cents, reflecting a growth of 15.5% YoY or a CAGR of 18.55% from 2023 to 2025. This performance was driven by the Group’s diversified product portfolio and solid execution across core business lines. The Group generated solid cash from operations in the Year, operating cash flow and free cash flow increased by 32.7% and 27.3% YoY, respectively. Cash ratio increased from 0.53 times at the end of 2024 to 1.63 times at the end of 2025. The cash conversion cycle improved from 124 days to 107 days, highlighting greater operating efficiency. Backed by sustainable earnings and a healthy cash flow, the Board has recommended a final dividend payment of HK\$0.313 cents per share. The proposed dividend reflects a balanced capital allocation approach, taking into account the Group’s intention to preserve greater financial flexibility to support future R&D investment, capture emerging out-licensing opportunities in overseas markets, and maintain a prudent cash reserve amid an increasingly uncertain macroeconomic environment.

Over the past decade, China’s pharmaceutical industry has navigated complex challenges. The Group has effectively implemented its strategies for product innovation, diversification, and commercialization. These initiatives have created a sustainable business model in a dynamic pharmaceutical landscape, resulting in profits for four consecutive years. With the ongoing commercialization of diverse product lines, the Group is well-positioned for rapid growth. This trajectory allows for reinvestment in R&D and new pipelines, enabling the Group to remain at the forefront of the market and establish itself as a leading research-driven biopharmaceutical company.

Bogutai® Delivered Strong Domestic Growth with Global Expansion in Progress

Since its official launch in March 2024, Bogutai® has sustained strong growth momentum, driven by a solid commercialization strategy and successful academic engagement. In 2025, the Group organized over 2,000 professional academic events across major cities in China, reaching nearly 20,000 medical professionals. These efforts significantly strengthened clinical awareness and deepened market recognition of Bogutai®’s therapeutic value in osteoporosis management.

The Group enhanced product training across distribution and retail networks of Bogutai®, delivering nearly 300 dedicated sessions that engaged over 1,300 pharmacy staff. These frontline education efforts helped build in-depth product knowledge and improved service capabilities, enabling retail staff to provide more informed, value-added guidance to consumers and further reinforcing patients’ trust in the Bogutai® brand. Clinically, Bogutai® continued to gain traction, with over 17,000 new patients initiated on therapy and more than 12,000 returning patients recorded, reflecting not only strong clinical penetration but also excellent patient adherence. With market coverage now extending to over 140 cities across first-tier to fourth-tier regions in China, the product has established a nationwide distribution footprint.

In 2025, Bogutai® demonstrated rapid market adoption in China, achieving a remarkable year-on-year revenue growth of 111.0%. This impressive performance highlights the strong demand for innovative osteoporosis therapies in the local market and the immense potential of Bogutai® in overseas markets.

Management Discussion and Analysis

Building on its domestic success, the Group took a significant step toward international expansion by signing a strategic cooperation agreement with Kexing Biopharm (Stock Code: 688136.SH), a leading biopharmaceutical company with extensive expertise in global commercialization, in September 2025. Under the agreement, Kexing Biopharm was granted exclusive commercialization rights for Bogutai® in six key international markets, including Saudi Arabia, Egypt, Morocco, Colombia, Argentina, and Mexico. Bogutai® is expected to complete product registration and begin generating revenue in these regions as early as the end of 2026. The Group is also actively pursuing the U.S. Food and Drug Administration (the “**U.S. FDA**”) application for Bogutai®, expected to be approved in 2027. These initiatives mark significant milestones in the Group’s global strategy and underscore its commitment to bring Chinese innovation to the world and shaping the future of osteoporosis treatment worldwide.

金因康® Approved for Market, Ushering in a New Era of Dry Eye Treatment

In May 2025, the Group’s second ophthalmology product, 金因康® (Diquafosol Sodium Eye Drops), received marketing approval from the China National Medical Products Administration (NMPA), marking a significant milestone in expanding the Group’s ophthalmic portfolio following GeneSoft®. The Group is actively preparing its launch and marketing strategy. In addition to leveraging synergy with GeneSoft® and its established online and offline distribution network for rapid market penetration, 金因康® will specifically target the mid-to-high-end segment of dry eye patients outside the hospital setting, those who prioritize long-term efficacy and premium product quality.

金因康® represents a new generation of treatment options. It activates P2Y2 receptors to stimulate tear fluid and mucin secretion, addressing the underlying causes of dry eye syndrome. Designed for patients with dry eye accompanied by tear film abnormalities and corneal epithelial defects, the medication normalizes the tear layer and improves corneal epithelial damage. 金因康® is among the first Blow-Fill-Seal (BFS)-packaged Diquafosol products approved in the market. Its aseptic, preservative-free, single-dose packaging enhances both product quality and user convenience.

To further enhance competitiveness, the Group has secured strategic partnerships with active pharmaceutical ingredient (API) suppliers, ensuring access to high-quality raw materials at costs below industry averages. This initiative supports a strong market positioning and profitability.

GeneQueens® and 金因敷® Launches Mark Major Steps in Integrated Medical Aesthetics Solutions

In June 2025, the Group officially launched the high-end series GeneQueens® of 肌顏態® and the medical device brand 金因敷®, marking two key milestones in its strategic expansion into the integrated “Drug, Medical Device, and Aesthetics” field. GeneQueens® (Triple-Protein Corrective and Stabilizing Single-Dose Essence) targets anti-aging and skin barrier repair by leveraging three synergistic human-sequence proteins. Meanwhile, 金因敷® offers high-purity, non-allergenic formulations with proprietary cooling technology to accelerate wound healing and reduce post-treatment swelling and discomfort.

These product launches reflect the Group’s commitment to enhancing its skin health product matrix and addressing evolving consumer needs for efficacy-driven, medical-grade skincare in both functional skincare and post-aesthetic recovery. The Group has already established deep strategic partnerships with leading medical aesthetics chains and top-tier distributors to accelerate professional market coverage and elevate brand value.

The Group remains committed to evidence-based, full-cycle skin health solutions. Last year, the scientific strength of 肌顏態® was further validated by its inclusion in the 2025 edition of the “Guidelines on Perioperative Skin Care in Medical Aesthetics”, with its core ingredient, Fibronectin, officially recognized for its safety and effectiveness in post-procedural skin repair. Moreover, the Group’s collaborative clinical study, titled “Fibronectin-Based Skin Care Regimens for Skin Recovery After Intense Pulsed Light Therapy: A Split-Face Study”, conducted in partnership with the Dermatology Hospital of Southern Medical University, The Sixth Affiliated Hospital of Sun Yat-sen University and First Affiliated Hospital of Army Medical University, has been published by a leading European dermatology journal. This demonstrates a significant milestone in the Group’s efforts to attain international academic recognition.

Embarks on Innovation-Driven Transformation to Becoming the Future Leader of Regenerative Medicine

Towards the end of 2025, the Group repositioned its long-term strategy from “Stable Growth” to “Innovation-Driven,” signifying a bold transformation from an integrated pharmaceutical company into a global pioneer in regenerative medicine. Powered by next-generation synthetic biology, and complex peptide/mini protein technologies, the Group unveiled a new vision centered on redefining how science restores and extends human life. This marks a strategic leap toward leading the global regenerative medicine frontier, with China as its foundation and the world in view.

The Group is advancing a transformative pipeline spanning four key areas: muscular-skeletal regeneration, skin regeneration, ocular regeneration, and ENT regeneration. Its programs include BMP-2 biomaterials for bone repair, next-generation obesity antibodies, wound-healing biologics, and skincare innovations. The Group is also accelerating the development of therapies for retinal disease, hearing loss, and olfactory restoration, leveraging scientific collaborations with top universities and global partners to translate innovation into clinical value.

Entering this new phase of strategic development, Uni-Bio Science Group is infusing the pioneering spirit of its startup days into a higher-level mission. This transformation signifies the Group’s evolution from a profitable biopharmaceutical company with strong commercialization capabilities to a clinical-value-oriented leader in regenerative medicine, driven by frontier science.

R&D and Pipeline Progress

During the Year, the Group strategically upgraded its R&D positioning, clearly identifying synthetic biotechnology as the driving force for developing innovative and proprietary products in regenerative medicine. The focus is on key therapeutic areas such as muscular-skeletal regeneration (e.g., PTH-mediated bone formation, BMP-2-induced osteogenesis), skin regeneration (e.g., growth factor-activated tissue repair), ocular regeneration (e.g., Epidermal Growth Factor (EGF)-promoted corneal repair), and ENT regeneration. These areas address core unmet clinical needs and promote the transition of regenerative medicine from the laboratory to broad clinical application through the deep integration of cutting-edge technologies.

Currently, the Group has several leading patented biopharmaceutical products, skincare raw material products and high-value generic drugs under various stages of development. The Group’s R&D team is working diligently to research and discover new patented drugs to fulfill the medical needs of patients.

Management Discussion and Analysis

Patented Biopharmaceutical Products

Products/Components	Indication	Discovery	Pre-clinical	Phase 1	Phase 2	Phase 3	BE	NDA	Marketed
Muscular-Skeletal Regeneration									
Uni-PTH (Oversea)	Osteoporosis	N/A	✓	CTE	CTE	CTE	CTE		
Uni-PTH (Microneedle)	Osteoporosis	✓	✓						
UB107 (BMP-2 Biomedical material)	Bone Repair	✓	✓						
UB106/(Long-acting)	Obesity								
Ocular Regeneration									
EGF (Single-dose eye drops)	Cornea Repair	✓	✓	CTE	CTE	CTE	CTE		
UB102	AMD	✓							
Skin Regeneration									
EGF/bFGF (Hydrogel)	Wound Healing	✓	✓						

Note: BE, bioequivalence, CTE, the abbreviated form of clinical trial exemption, refers to the authorization to administer an investigational agent to patients or volunteer subjects under specified conditions of a particular research study in a clinical setting. Upon approval, the new drug can be exempted from Phase I/II/III clinical trial.

Muscular-Skeletal Regeneration

UNI-PTH (Microneedle) — Innovative Formulation Expansion

Uni-PTH (recombinant human parathyroid hormone 1-34 or teriparatide), represents a unique hormone-based approach to bone regeneration, a proprietary product that is under R&D of the Group, is effective in treating osteoporosis and bone pain, increasing bone density and reducing the risk of bone fracture. Currently, the drug is the only class of anabolic agent which can actively increase bone density and reduce the chance of vertebral and hip fractures by stimulating osteoblasts activity. Through stimulating new bone formation, Uni-PTH can quickly improve bone quality and increase bone density within 6 months of treatment, therefore reducing fracture incidence and bone pain, which is especially helpful in treating patients with moderate-to-severe osteoporosis and ostealgia. 2nd Generation Uni-PTH improves upon the formulation of 1st Generation Uni-PTH in terms of patient convenience. Uni-PTH is also one of the few fully biological expressed parathyroid hormone analogues in the world and has very limited number of direct competitors in the Chinese market.

The 2nd Generation Uni-PTH (pre-filled injection pen), named Bogutai®, is the first domestic disposable liquid injection pen launched in China in 2024, with unparalleled dosing accuracy and minimized injection pain. It has been proven that it is effective to increase bone density, reduce fracture incidence and it is more convenient and safer for patients to use. Following the listing of Bogutai® in China, the Group has granted exclusive commercialization rights for Bogutai® in six key international markets, including Saudi Arabia, Egypt, Morocco, Colombia, Argentina, and Mexico to a strategic partner to tap into the overseas markets in 2025. The Group is also actively preparing for the U.S. FDA submission of Uni-PTH. The U.S. FDA's proposal regarding the eligibility for teriparatide to apply for a waiver of in vivo bioequivalence studies will facilitate the rapid entry of the Group's Uni-PTH product into the U.S. market. The Group is anticipated to receive U.S. FDA's approval and launch in the U.S. by 2027.

Currently, the Group is developing the 3rd Generation microneedle formulation of Uni-PTH. This innovative transdermal administration method combines the benefits of subcutaneous injections and transdermal drug delivery. Compared to traditional injection formulations, the microneedle approach is nearly non-invasive, painless, and results in higher patient compliance. The Group has partnered with a domestic leader in microneedle technology to create a biodegradable, soluble teriparatide microneedle version of Uni-PTH. This formulation enables drug molecules to effectively penetrate the stratum corneum barrier, facilitating absorption by subcutaneous tissues and the body. The dissolvable nature of the microneedles eliminates the risk of reuse, significantly reducing the potential for cross-infection.

As of 2025, the formulation screening and process development for the microneedle form have been completed. Preclinical animal studies have been conducted to explore drug delivery efficiency, bioavailability, and pharmacokinetics. In addition, exploratory research is underway to investigate the role of PTH as a bone formation agent, focusing on increasing bone density in individuals with bone loss.

EGF (Single-Dose Eye Drops) — Innovative Specification Expansion

The Group's ophthalmic product GeneSoft® is a prescription biologic for corneal repair, widely used in postoperative corneal wound healing and dry eye syndrome treatment in China. In July 2025, the Group obtained NMPA approval for API production capacity expansion, enabling future development of additional EGF-based products with new packaging specifications, expanded clinical indications.

Leveraging the newly commissioned BFS production line in Dongguan, the Group is accelerating development of next-generation GeneSoft® products including 0.5mL BFS single-dose (daily disposable) format, 3mL BFS multi-dose preservative-free format.

During the Year, research on the 0.5mL BFS single-dose format has been completed, and a marketing application for this new packaging is scheduled for submission in 2026. The single-dose BFS version of GeneSoft® is expected to be commercially launched in 2027, offering patients a safer and more convenient treatment experience.

The BFS technology integrates container forming, filling, and sealing in one sterile process. Compared to conventional eye drops, it offers preservative-free formulation, superior container integrity, and lower contamination risk. These advancements provide enhanced medication safety for patients.

Management Discussion and Analysis

UB107 — Bone Repair Biomedical Material

UB107, BMP-2 biomedical material, is a pivotal growth factor in regenerative medicine, recognized for its capacity to recruit and induce differentiation of mesenchymal stem cells (MSCs) into osteogenic lineages. Clinically, it has been extensively utilized in bone defect reconstruction and spinal fusion procedures. The Group successfully established a BMP-2 API manufacturing process utilizing its proprietary ECO-KSFA® technology platform. Ectopic bone formation can cause pain, limit joint mobility, and lead to functional impairment. It is most commonly seen following orthopedic procedures, during post-injury tissue repair, or in patients with long-term implants. To overcome clinical limitations including burst release and graft migration, while also addressing the risk of ectopic bone formation, the Group is developing an innovative sustained-release hydrogel formulation.

As the Group's first Class III medical device candidate, this product targets multiple orthopedic applications, such as critical-sized bone defects, fracture non-unions, and interbody spinal fusion. The Group expects to complete clinical registration and initiate clinical trials by 2027, with a market launch targeted for 2029.

The Group is actively exploring regenerative therapy combining BMP-2 with stem cell technology for innovative osteoarthritis treatment. Mesenchymal stem cells (MSCs) are a cornerstone of regenerative medicine, demonstrating notable efficacy in conditions like diabetic foot and knee osteoarthritis. BMP-2 enhances this process by inducing MSCs to differentiate into chondrocytes, increasing cartilage-specific matrix synthesis vital for cartilage tissue engineering. The Group is collaborating with industry partners to develop BMP-2 and stem cell therapies specifically for knee osteoarthritis.

UB106 — New Dual-Target Antibody for Obesity

In May 2024, the Group proudly announced a project cooperation agreement with Great Bay Bio (GBB) and TigerMed Pebble Accelerator, a subsidiary of Tigermed. This agreement focuses on the joint development of innovative weight reduction drugs, aiming to revolutionize the treatment of obesity. Through this collaboration, the Group seeks to establish a comprehensive ecological industry chain, spanning from target discovery to antibody generation, druggability verification, process development, clinical development, and ultimately, commercialization. AI technology has been utilized for molecular screening and affinity maturation, accelerating the R&D the endocrine field but also promises to deliver significant benefits to the vast population of overweight and obese patients.

In 2025, the Group co-developed potentially the first-in-class innovative drug, a dual-target antibody for obesity, with GBB. This innovative therapy is designed to offer multiple breakthrough benefits as a next-generation weight management solution, including effective fat loss, muscle preservation, and long-term weight maintenance with minimal rebound. In addition, the antibody is designed to extend the drug's half-life, potentially enabling dosing every two weeks or even once per month, thereby reducing the side-effects for patients.

UB102 — DOTBODY™ Molecule in wAMD

UB102, a Bispecific nanobody, is a promising candidate in the field of ocular disease treatment, specifically for conditions such as wet age-related macular degeneration (wAMD). This revolutionary molecule is uniquely designed to simultaneously block two proangiogenic receptors. This dual-targeting approach has demonstrated superior inhibitory efficacy as compared to inhibiting either factor individually, marking an advance from its predecessor, UB101. The Group is leveraging our advanced technology platform to expedite the development of UB102. Preliminary in vitro studies suggest that UB102 exhibits a significantly higher affinity for its targets, vascular endothelial growth factor-A (VEGF-A) and angiopoietin-2 (Ang-2). This superior affinity is expected to translate into remarkable efficacy and extended treatment intervals, potentially offering profound benefits to patients.

Faricimab molecule is currently used in the treatment of similar eye disorders, including wet AMD and diabetic macular oedema (DMO). It also works by neutralizing Ang-2 and VEGF-A, the very targets of UB102. While Faricimab molecule treatment allows for a three-to-four-month interval between eye injections, thereby minimizing the risk of injection-related complications, it's worth noting that UB102 is expected to further enhance this advantage.

According to the Frost & Sullivan Report, the prevalence of wet AMD in China was 3.4 million in 2017 and is expected to reach 4.8 million in 2030. The Group believes that there is a significant commercial demand for the treatment of wet AMD.

Advanced Skincare Raw Materials

Functional skin care is increasingly popular. Synthetic biology is becoming an essential research direction with disruptive potential in the cosmetical space. The new skincare raw materials under research in the new laboratory of the Group include fibronectin, beauty peptides, collagen, microecological skincare product, and stem cell exosome product. The materials are safe in composition, excellent in efficacy, and widely used. Currently, the Group effectively leverages the research ecosystem of Hong Kong Science Park, Uni-Bio Science Group's bioprocessing platform and our partner's, Global Cosmetics, extensive experience in the field of cosmetics to commercialize these products quickly.

Products/Components	Discovery	Production Development	Formulation Development	Marketed
Collagen	✓	✓	✓	
Beauty peptides	✓	✓	✓	
Microecological skin-care product	✓	✓		
Stem cell exosome product	✓	✓	✓	

Collagen

Collagen, the group's second new cosmetic raw material after the launch of fibronectin, is the most abundant protein in the human body, making up from 25% to 35% of the whole-body protein content. It forms a network of elastic fibers that support the skin, maintaining its elasticity and locking in moisture. Collagen production decreases by approximately 1% each year of age after maturity (about age 21), leading to a loss in firmness and elasticity of the skin. Collagen skincare products could be widely used in moisturizing, maintaining the skin barrier, and anti-aging. In 2024, the Group's strategic cooperation product with Chongqing Minji Medical Device Co., Ltd., recombinant collagen dressing, has successfully received Class II medical device approval. Currently, the collagen product jointly developed with Chongqing Minji is expected to launch soon.

Management Discussion and Analysis

Beauty Peptides

Peptides have various cosmetic benefits and each peptide used in products has a specific activity. Our product lines focus on anti-wrinkle, anti-aging, skin-whitening, and anti-allergy. Our long-standing experience of clinical grade peptide manufacture applies equally to cosmetic peptides. The recombinant DNA approach could be more attractive in terms of costs and have a lower environmental impact and faster development time, than the current chemical manufacturing technologies. Currently, the Group had completed the initial development of its first cosmetic peptide product, Conopeptide, which is expected to be launched in 2026.

Microecological Skin-care Product

This microecological skincare product is derived from probiotic fermentation that balances beneficial skin flora, repairs the skin barrier, produces organic acids to maintain skin health, promotes wound healing, and reduces UV damage. With the application of synthetic biology technology, the Group develops microecological products with a wide range of properties for broader applications in skincare. The Group's collaboration with NAMI (Nano and Advanced Materials Institute Limited) in Hong Kong is progressing smoothly, with the first microecological skincare product is expected to be launched in 2027.

Stem Cell Exosome Product

Exosomes are emerging bioactive substances involved in multiple biological and cellular activities of the skin. These nanosized small membrane vesicles (30-100nm) are secreted by all eucaryotic cells, including skin cells. Mesenchymal stem cells (MSCs) are multipotent cells with immunomodulatory and trophic effects. Exosomes from stem cells promote skin regeneration, collagen synthesis, and help minimize scar formation. Exosomes are non-immunogenic and safe as topical skincare. Supported by the Hong Kong Science Park Research Fund, the project aims to combine fibronectin and exosome technologies to develop medical device products for wound healing and medical beauty applications.

High Value Generic Products and Bioequivalence Studies

Product	Indication	Status	Remark
Anti-infection			
Esaconazole sulfoate capsules	Fungal infection	Marketing application accepted by NMPA	Expected to be approved for launch in 2026

Isavuconazonium Sulfate Capsules Project

Isavuconazonium sulfate capsules, a novel triazole antifungal, are currently the only drug indicated for both Invasive Aspergillosis (“**IA**”) and Invasive Mucormycosis (“**IM**”). Statistical data shows that sales of Isavuconazonium sulfate in China were minimal at RMB2 million in 2022, and surged to RMB136 million in 2023. In 2024, following its inclusion in the list of medicines covered by the national medical insurance coverage, annual sales of Isavuconazonium sulfate capsules increased to RMB225 million.

The Group is committed to advancing the development and accessibility of Isavuconazonium sulfate capsules, aiming to provide more effective antifungal treatment options and improve the quality of life for patients worldwide. In July 2025, the marketing application of Isavuconazonium sulfate capsules were officially accepted by the NMPA. Isavuconazonium sulfate capsules are expected to be approved for launch as early as the fourth quarter of 2026, offering a safer, more effective, and high-quality treatment option for patients suffering from invasive fungal infections.

Two Proprietary Technology Platforms Driving Regenerative Medicine Innovation

Advanced Synthetic Biology Platform

The Group's ECO-KSFA® synthetic biology platform integrates biosynthesis, AI-assisted protein design, and protein engineering to support the development and large-scale production of peptide and protein therapeutics. Using an E. coli-based system, the platform enhances fermentation efficiency by extending cell lifespan, enabling kilogram-scale peptide production while reducing raw material costs. It is also capable of producing structurally complex, cysteine-rich micro-proteins through gene editing and high-density fermentation. To date, trial production has been completed for two peptide products, and one complex peptide has been successfully developed. The platform will continue to be optimized, with additional candidates under evaluation for clinical potential.

Biological Hydrogel Technology Platform

The Group has established a biological hydrogel technology platform based on thermo-sensitive in-situ gel technology, building on its existing EGF products. This platform currently supports sustained drug release and functions as a cell scaffold, with exploratory research extending into 3D cell culture and bone repair. In parallel, the Group is developing wound repair hydrogel products, including sprayable formulations that rapidly form protective films. Looking ahead, hydrogel research is expected to expand into ocular and aural drug delivery applications, further broadening the platform's therapeutic potential.

RESULTS OVERVIEW

For 2025, the Group recorded a revenue of approximately HK\$586.2 million, representing an increase of 6.0% YoY. The increase in revenue was driven by the growing demand for the Group's products Bogutai®, GeneTime® and Boshutai®.

Cost of sales for the Year increased by 7.3% to approximately HK\$98.7 million in 2025 from approximately HK\$91.9 million in 2024. The Group continued to focus on optimizing production costs by strategic partnerships with raw material suppliers. Gross profit was approximately HK\$487.6 million, representing an increase of 5.7% as compared with approximately HK\$461.1 million in 2024, and gross profit margin decreased by 0.2 percentage points YoY to 83.2%. General and administrative expenses accounted for 10.3% of revenue in 2025 as compared with 9.2% in 2024, and selling and distribution expenses for the Year increased to 49.8% of revenue from 47.3% in 2024, both mainly due to the continued marketing efforts for newly launched Bogutai® and medical aesthetics products. R&D expenses decreased by 23.9% YoY to approximately HK\$39.8 million, reflecting the completion of several key project milestones and the Group's transition into preparatory stages for the next phase of development.

The Group delivered another year of record-breaking profit, achieving approximately HK\$93.3 million for the Year, representing an increase of 12.7% YoY. Net profit margin increased by 1.0 percentage points YoY to 15.9%. The earnings per share reached approximately HK\$1.56 cents, reflecting a growth of 15.5 YoY or a CAGR of 18.55% from 2023 to 2025. These results demonstrate the Group's success in converting product innovation into market value through strong commercialization execution and financial discipline.

The Group generated solid cash from operations in the Year, operating cash flow and free cash flow increased by 32.7% and 27.3% YoY, respectively. Cash ratio increased from 0.53 times at the end of 2024 to 1.63 times at the end of 2025. The cash conversion cycle improved from 124 days to 107 days, highlighting greater operating efficiency. Backed by sustainable earnings and a healthy cash flow, the board of directors ("**Board**") has declared a dividend payment for 2025 of HK\$0.313 cents per share, representing an increase of 13.0% YoY.

Management Discussion and Analysis

Marketed drugs sales

For 2025, the Group had eight marketed products, namely GeneTime®, GeneSoft®, Pinup®, Boshutai®, Bogutai®, 肌顏態®, 金因敷® and 金因康®, which contributed 37.72%, 6.52%, 29.81%, 2.63%, 22.47%, 0.48%, 0.36% and 0.01% of total revenue of the Group, respectively.

GeneTime®

The Group's flagship product, GeneTime®, is a prescription biological drug for wound healing. GeneTime® held a market share of 19.7% in the first three quarters of 2025, ranking No. 3 in the domestic topical human epidermal growth factor preparations market. During the Year, revenue generated from GeneTime® was approximately HK\$220.4 million, representing an increase of 10.9% YoY. The increase was driven by the Group's continuous expansion across omnichannel platforms, particularly through strong penetration in both e-commerce and chain pharmacy distribution. GeneTime® has now entered six of China's leading e-commerce platforms, substantially strengthening its digital presence and consumer accessibility. The Group also formed partnerships with over 30 top-tier pharmacy chains, extending GeneTime®'s reach to nearly 8,000 chain pharmacies across first- to fourth-tier cities. This comprehensive channel strategy has resulted in a highly synergistic, nationwide sales network that significantly enhances terminal-level product availability, reinforces brand recognition, and delivers greater treatment convenience for patients across diverse regions.

GeneSoft®

GeneSoft® is a therapeutic drug for dry eye syndrome, corneal damage and post-operative healing. In the first three quarters of 2025, GeneSoft® accounted for approximately 26.8% of the domestic human epidermal growth factor ophthalmic surface therapeutics market, ranking No. 2 in this category. During the Year, GeneSoft® recorded a 7.9% YoY decrease in revenue from approximately HK\$41.9 million to approximately HK\$38.6 million due to intense market competition. The Group is actively expanding GeneSoft®'s presence across major pharmacy chains to diversify sales channels, improve accessibility, and strengthen market reach. In addition, the Group is developing several new specifications in BFS packaging that will enhance product quality and user convenience, thereby striving for greater market share.

Pinup®

The Group's self-developed chemical pharmaceutical product Pinup® (Voriconazole tablets) held a market share of 28.4% in the domestic voriconazole tablets market in the first three quarters of 2025, ranking No. 2 in the domestic antifungal therapeutic segment. Pinup® recorded a decrease of 29.4% in revenue from approximately HK\$244.2 million to approximately HK\$172.5 million for the Year. The primary cause of the decline was pressure from China's centralized volume-based procurement (VBP) policies, which compressed prices in exchange for higher volumes. In 2025, the Group adopted a more disciplined and selective hospital-supply strategy under VBP to safeguard margins, particularly in regions where policy adjustments intensified price competition. At the same time, the Group accelerated diversification into pharmacy networks beyond traditional hospital channels and optimized its supply chain to improve cost and profitability. It is expected that this downward price trend under VBP will continue in the near term but will stabilize as VBP rules moderate, shifting away from "low-price competition" toward more sustainable, value-oriented competition. The Group is also preparing to launch a next-generation antifungal generic product, Isavuconazonium sulfate capsules, as early as the fourth quarter of 2026. The new product is expected to begin contributing to revenue from 2027 and materially offset the decline of Pinup®.

Boshutai®

The Group's product Boshutai® (Acarbose tablet) is a small molecule drug to treat diabetes. In the first three quarters of 2025, Boshutai® accounted for approximately 0.9% of the domestic acarbose market, ranking No. 8 in this segment. In 2024, Boshutai® was successfully included in the VBP by the Henan Seventeen Provinces Alliance and the procurement validity period is set for two years. Hospitals in many provinces began procuring Boshutai® in 2025. Following the destocking and a low base in 2024, revenue from Boshutai® increased from approximately HK\$10.2 million to approximately HK\$15.5 million, representing a significant increase of 51.9%. With proactive planning and continuous expansion into new hospitals and geographic regions across multiple sales channels, the Group is well-positioned for further growth.

Bogutai®

The Group's product Bogutai® (teriparatide injection) is effective in treating osteoporosis and bone pain. Bogutai® held a market share of 24.1% in the first three quarters of 2025, ranking No. 3 in the domestic teriparatide segment. During the Year, revenue of Bogutai® increased significantly from approximately HK\$63.5 million to approximately HK\$134.0 million, representing an impressive increase of 111.0%. The strong growth was partly attributed to a low base since the drug was launched in March 2024. More importantly, this growth reflects the ongoing market development and engagement with this innovative osteoporosis therapy within the medical community and among patients in China.

Bogutai® is primarily distributed in leading 3A hospitals, with a direct sales team targeting key specialties such as orthopedics, endocrinology, and geriatrics. In 2025, the Group organized over 2,000 nationwide academic events to strengthen brand awareness and clinical adoption. It also expanded coverage beyond hospitals, offering nearly 300 sessions of targeted training to distributors and pharmacy staff to enhance product knowledge and service quality. These efforts led to steady clinical uptake, with over 17,000 new patients and over 12,000 returning patients, and a broad distribution footprint across tier-one to tier-four markets for the Year.

肌顏態®

The Group's newly launched medical aesthetic product 肌顏態® is developed with proprietary Skbrella™ FN (Recombinant Human Fibronectin) technology. Fibronectin, a vital extracellular matrix glycoprotein, supports cell migration, adhesion, proliferation, and tissue regeneration. 肌顏態® enhances skin quality and accelerates repair, making it ideal for damaged and acne-prone skin, as well as post-procedure care. Since its official debut in December 2024, the Group has actively promoted the product through marketing campaigns to build brand awareness and drive adoption among aesthetic medical chains and hospitals for post-surgery treatments. During the Year, 肌顏態® generated approximately HK\$2.8 million in revenue in its early stage. The limited revenue scale reflected several factors, including a relatively small number of products approved and launched during the Year, and the fact that specialized marketing and distribution teams were still being built and optimized.

Management Discussion and Analysis

In 2025, the Group continued to strengthen its medical aesthetics products portfolio and officially launched its high-end series, GeneQueens® near the end of the Year. Designed to meet consumers' evolving needs for efficacy and medical-grade skincare, the launch further reinforces the Group's strategic presence across the integrated domains of "Drug, Medical Device, and Aesthetics".

To support the transition from incubation to growth for its medical aesthetic products, the Group will focus on accelerating product registrations and launches, expanding its skin-regeneration and medical device pipeline, leveraging its expertise in growth factors such as EGF to develop differentiated solutions, and strengthening sales channels through partnerships with medical aesthetics institutions, pharmacy chains, and e-commerce platforms.

金因康®

Following market approval from the NMPA in May 2025, 金因康® (Diquafosol Sodium Eye Drops) was launched toward the end of the year, providing a novel therapeutic option for dry eye disease. As targeted regions were still operating under the existing VBP contract periods that limited the product's market access, and additional time was required for product manufacturing and supply preparation due to the production schedule of the Group's CDMO partner hospital access, no revenue contribution was recognized during the Year. Leveraging synergies with GeneSoft® and its established online and offline distribution network, the Group has initiated targeted expansion in the non-public sector to build alternative channels and accelerate uptake.

This next-generation product stimulates tear fluid and mucin secretion by activating the P2Y2 receptor, effectively addressing the underlying causes of dry eye syndrome in patients with tear film abnormalities and corneal epithelial defects. 金因康® is among the first BFS-packaged Diquafosol products in the market. The medication specifically targets the mid-to-high-end segment of dry eye patients outside hospital settings, focusing on those who prioritize long-term efficacy and premium product quality.

金因康® is actively expanding its presence across major e-commerce platforms and offline pharmacy chains while deepening collaborations with hospitals and key distribution partners.

FINANCIAL PERFORMANCE REVIEW

Turnover

Sales Developments

For the Year, the Group recorded revenue of approximately HK\$586.2 million, representing an increase of 6.0% YoY.

Biological Pharmaceutical Products

The Group's biopharmaceutical products include GeneTime®, GeneSoft® and Bogutai®. During the Year, biological pharmaceutical products recorded revenue of approximately HK\$383.7 million, representing a significant growth of 27.4% as compared with last year. Biopharmaceutical products represented 66.0% of total sales for the Year.

Chemical Pharmaceutical Products

The Group's high-value generics products include Pinup®, Boshutai® and 金因康®. During the Year, the segment achieved revenue of approximately HK\$199.8 million, representing a decrease of 20.0% compared with last year. Chemical pharmaceutical products represented 34% of total sales for the Year.

Medical aesthetics products

The Group's medical aesthetics products include 肌顏態® and 金因敷®. During the Year, medical aesthetics products recorded revenue of approximately HK\$2.8 million. Medical aesthetics products represented 0.4% of total sales for the Year.

Gross Profit and Gross Profit Margin

During the Year, gross profit was approximately HK\$487.6 million, representing an increase of 5.7% as compared with approximately HK\$461.1 million in 2024. Gross profit margin decreased by 0.2 percentage points from 83.4% in 2024 to 83.2%. The Group maintained highly effective direct sales strategies for most of its products while exercising stringent discipline in production cost control to ensure profitability.

Selling and Distribution Expenses

During the Year, selling and distribution expenses were approximately HK\$292.0 million, representing an increase of 11.6% from approximately HK\$261.6 million in 2024. The increase was primarily due to the investments in academic and marketing initiatives for brand building of Bogutai® and the newly launched medical aesthetics products. The percentage of selling expenses relative to revenue increased from 47.3% in 2024 to 49.8% in 2025.

Research and Development Expenses

Research and development expenses in 2025 were approximately HK\$39.8 million, representing a decrease of 23.9% from approximately HK\$52.3 million in 2024. The decrease was mainly due to the completion of several development project milestones, including the Isavuconazonium sulfate capsules project, which was successfully submitted to the NMPA for application in July 2025. During the Year, the Group concentrated on early-stage research initiatives, laying a foundation for upcoming R&D activities. Looking ahead, R&D expenses are expected to increase in 2026 as the Group advances several key pipeline initiatives. The Group remains firmly committed to innovation as a core strategic priority and expects R&D investment to account for no less than 9% of total revenue in 2026. Major initiatives for 2026 include advancing the registration and commercialization process of Uni-PTH for the U.S. market, making progress in the pharmaceutical and non-clinical research of growth factor thermosensitive gel, accelerating the registration and commercialization progress of Isavuconazonium sulfate capsules, and expanding early-stage research programs in the fields of weight management, orthopedic repair and ocular regeneration.

General and Administrative Expenses

For the Year, general and administrative expenses were approximately HK\$60.4 million, representing an increase of 19.3% from approximately HK\$50.7 million in 2024. The expenses accounted for 10.3% of revenue as compared with 9.2% last year, mainly due to the rental payments for new Dongguan facility, employee benefits and facility renovation and upgrades. Once the Dongguan factory commences formal operations, it will help reduce certain overlapping administrative expenses.

Other Revenue

Other revenue for the Year was approximately HK\$10.3 million, representing an increase of 16.3% when compared with approximately HK\$8.9 million last year. The increase was attributable to an increase in government subsidy.

Management Discussion and Analysis

Profit for the Year

In 2025, the Group delivered a strong profit performance, with profit for the Year surged from approximately HK\$82.8 million in 2024 to HK\$93.3 million, representing an increase of 12.7%. This solid result was driven by the expanded product portfolio, the continued growth momentum of Bogutai®, sustained demand for other key products, disciplined cost and expense management, and ongoing improvements in production efficiency, which outweighed the significant price pressures on certain products from VBPs. The Group's ability to diversify its portfolio while maintaining profitability has laid a strong foundation for sustainable growth and long-term value creation.

Financial Position

The Group generated solid cash from operations in the Year, operating cash flow increased 32.7% YoY to approximately HK\$97.1 million, while free cash flow reached approximately HK\$37.8 million, representing an increase of 27.3% from approximately HK\$29.7 million in 2024. Capital expenditures totaled approximately HK\$52.6 million, primarily allocated to R&D and the construction of the Dongguan factory .

The Group further strengthened its financial position, with improvements across key metrics for the Year. The Group recorded a net cash of approximately HK\$122.9 million as at 31 December 2025. Cash ratio increased from 0.53 times at the end of 2024 to 1.63 times at the end of 2025, while the current ratio increased from 2.58 times to 3.23 times, reflecting stronger liquidity. Working capital remained well managed, with inventory days of 131 days and trade receivable days of 43 days at year-end. The cash conversion cycle improved from 124 days to 107 days, highlighting greater operating efficiency. Meanwhile, the debt-to-equity ratio decreased from 58.9% to 40.3%, indicating a healthier capital structure and bolstered financial resilience to support long-term growth.

PROSPECTS

Strategic Transition to a Global Leader in Regenerative Medicine

Towards the end of 2025, the Group entered into a new phase of strategic development, transitioning from a phase of “stable growth” to “innovation-driven”. Leveraging next-generation synthetic biology and complex peptides/mini-protein technologies, and with a strategic focus on the frontiers of regenerative medicine, the Group is advancing its transformation from an “Excellent Pharmaceutical Company” to a “Global Leader in Regenerative Medicine.”

Regenerative medicine has emerged as a rapidly developing field, focused on repairing, replacing, or regenerating damaged tissues or organs using cells, tissues, or genetic material. The sector has the potential to treat and address the underlying causes of chronic and advanced diseases. The global regenerative medicine market was approximately USD51.7 billion in 2025. It is projected to grow from USD63.0 billion in 2026 to USD555.6 billion by 2034, representing a compound annual growth rate (CAGR) of 31.3%⁵. The increasing prevalence of chronic and hereditary diseases, together with rising healthcare expenditure in both developed and emerging markets, is expected to support continued growth in the regenerative medicine industry.

With the Group's established R&D capabilities and diverse product pipeline, Uni-Bio Science Group is positioned to pursue opportunities arising from this expanding market.

5 Future Business Insights: <https://www.fortunebusinessinsights.com/zh/industry-reports/regenerative-medicine-market-100970>

Earnings Guidance (2026–2028)

Over the three-year horizon from 2026 to 2028, Uni-Bio aims to establish itself as a leading regenerative medicine platform operating at sustainable commercial scale. Our financial priorities and capital allocation plan are set to support product commercialization, capacity expansion and continued innovation.

Capital expenditure (CAPEX) plan

- Total CAPEX (2026–2028): planned investment of approximately HK\$47 million, primarily allocated to the construction expenses of the Dongguan factory.

R&D investment

- R&D expenses as a percentage of revenue: target range of approximately 10% of revenue annually over the 2026–2028 period, reflecting continued prioritization of expediting the clinical progress of core programs in areas including orthopedics, ophthalmology, and dermatology.
- R&D allocation: focus on the clinical research and launch of pipeline products, development of next-generation innovative cell therapies, and discovery of novel targets and molecules.

This guidance assumes timely regulatory approvals, stable market conditions and successful commercial execution. The CAPEX and R&D plans are intended to drive sustainable revenue growth, margin improvement and accelerated product level contribution. The Group will provide updates semi-annually.

Leading Innovations Across a Diversified Product Portfolio

The Group's regenerative medicine strategy is centered on four key therapeutic areas: musculoskeletal regeneration, skin regeneration, ocular regeneration, and ENT regeneration.

Muscular-Skeletal Regeneration

The Group focuses on developing prevention and treatment of muscular-skeletal system diseases, combined with stem cell technology, to drive breakthroughs in the diagnosis and treatment of bone, cartilage, and muscle injuries and degenerative diseases.

Specific projects include:

- UB107 (BMP-2 Biomedical material): A key growth factor in regenerative medicine, BMP-2 can be widely used clinically for bone defect reconstruction and spinal fusion surgery. It is expected to be approved for market launch in 2029, further solidifying the Group's position in the field of bone regeneration.
- UB106 (New Dual-Target Antibody for Obesity): Addressing the limitations of current obesity treatments, UB106 directly targets issues such as muscle loss, frequent dosing, gastrointestinal side effects, and pancreatitis. It is expected to be approved as early as 2030, offering a new treatment option for patients with obesity.

Management Discussion and Analysis

Skin Regeneration

Leveraging advanced growth factor technologies and innovative delivery systems, the Group aims to provide precise repair solutions for burns, scalds, and hard-to-heal wounds, while also offering comprehensive solutions in the medical aesthetics field.

Key projects include:

- GeneQueens® (Triple-Protein Corrective and Stabilizing Single-Dose Essence): This product is designed for anti-aging and skin barrier repair, helping users restore healthy, youthful skin through the synergistic effects of three human-sequence proteins. Launched at the end of 2025, it has further complemented the Group's "Drug & Medical Device & Aesthetics" medical-grade skincare portfolio.
- EGF/bFGF compound gels developed with proprietary thermosensitive gel technology: As a key growth factor in regenerative medicine, bFGF is highly effective in promoting granulation and angiogenesis. When paired with EGF, it accelerates wound healing and tissue regeneration, delivering superior clinical outcomes. This combination offers significant synergistic advantages, particularly in chronic wounds such as diabetic ulcers — a field with pressing clinical needs and substantial market potential. According to Kurbo Analytic, the global thermosensitive hydrogel market is projected to grow a CAGR of 8.2% from 2026 to 2033, underscoring the expanding importance of this technology. To capitalize on the rising market opportunity, the Group has completed the formulation research and process development, with pharmaceutical R&D and an IND submission targeted for 2026. Phase I–III clinical trials are planned for 2027–2029, aiming for NDA submission in 2030.

Ocular Regeneration

The Group is actively exploring the field of ocular regeneration, utilizing advanced strategies such as hEGF and anti-VEGF, to remodel ocular surface and retinal function. Through active collaborations with leading international companies and top domestic universities, the Group is advancing the R&D of potential drugs for diseases, such as age-related macular degeneration. The Group's mission is to accelerate the translation of cutting-edge technologies into clinical applications, thereby bringing new hope to patients with ocular diseases.

ENT Regeneration

The Group is advancing research in ENT regeneration, leveraging brain-derived neurotrophic factor (BDNF) technologies to support hearing restoration and olfactory function recovery. These programs aim to develop novel therapeutic solutions and drive functional recovery of ENT organs.

Empowering Growth through Omnichannel Strategy and Market Expansion

Driving Growth through Omnichannel Engagement

The Group currently offers eight products and is actively expanding their sales through strategically implemented omnichannel strategies that broaden its customer base and decrease reliance on traditional hospital networks. The direct sales team is focused on strengthening partnerships with hospitals at various levels, including provincial, municipal, and private institutions. The Group utilizes a network of over 600 distributors to penetrate third- and fourth-tier cities, thereby enhancing product coverage and brand awareness. Currently, the Group has partnered with 30 major chain pharmacies, encompassing over 8,000 stores nationwide.

To further extend its reach, the Group has established flagship stores across all major online sales platforms in China, including Tmall, JD.com, and Meituan, enabling it to capitalize on these extensive customer bases to boost brand visibility and drive growth.

Marketing efforts for GeneTime®, the Group's flagship product, utilize a diverse array of channels, including online platforms, third-party distributors, and public hospital networks, creating a comprehensive and efficient distribution system that offers convenient and reliable services to patients. The Group is committed to enhancing its online presence to establish a sustainable marketplace, recognizing that e-commerce represents an irreversible trend.

By emphasizing professional academic outreach through its direct sales teams and educating hospital staff, distributors, and pharmacies, Bogutai® has successfully increased product recognition and driven prescription conversions in clinical settings. The Group is also advancing a series of clinically relevant academic initiatives to promote standardized management for patients at high risk of fractures, thereby supporting advancements in osteoporosis treatment and offering better therapeutic options for patients.

For its aesthetic medical products, the Group actively organizes academic talks and collaborates closely with hospitals and physicians through a dedicated sales team. Strong partnerships with prominent medical aesthetics chains and agents are helping to drive sales of its latest premium products, including GeneQueens® and 金因敷®, targeting specialized markets that demand efficacy-driven, medical-grade skincare for both functional use and post-aesthetic recovery. Further marketing initiatives will be deployed to promote the scientific foundation behind 肌顏態® products, emphasizing evidence-based, comprehensive skin health solutions.

金因康® focuses on the mid-to-high-end segment of dry eye patients outside hospital settings, who prioritize product quality and long-term efficacy. In recent years, eye drops have shown significant growth in retail and e-commerce channels. The Group is actively expanding its presence on mainstream e-commerce platforms and within chain pharmacies, while deepening collaborations with hospitals and key distributors. This integrated strategy creates a hybrid sales system that enhances product accessibility and strengthens market penetration, effectively meeting patient demands for convenient and efficient treatments.

Through strong alliances with leading channel partners, the Group aims to connect with targeted consumers and unlock substantial commercial value.

Accelerating Global Market Presence

The Group has formed a strategic partnership with Kexing Biopharm to accelerate global expansion of osteoporosis treatment, Bogutai®. Kexing Biopharm has been granted the exclusive rights to commercialize Bogutai® in six international markets: Saudi Arabia, Egypt, Morocco, Colombia, Argentina, and Mexico. Registration in these markets is expected to be completed, with revenue generation anticipated as early as the end of 2026.

Beyond this collaboration, the Group is actively pursuing FDA approval for Bogutai® in the U.S. A waiver for in vivo bioequivalence studies has already been granted, allowing an expedited regulatory pathway, with approval anticipated in 2027. This expansion is expected to further strengthen the Group's position in osteoporosis treatment internationally. Upon the FDA approval, we target to expand into 2-3 new countries and markets every year going forward.

Management Discussion and Analysis

Advancing Innovations through Strategic Collaborations

In December 2025, the Group signed a tripartite strategic cooperation agreement in Wenzhou, Zhejiang, with the National Engineering Research Center for Cell Growth Factor Drugs and Protein Formulations of Wenzhou Medical University (“**WMU**”) and the People’s Government of Ouhai District, Wenzhou. This collaboration not only positions the Group to leverage a national research platform but also fosters a synergistic “government-university-enterprise” model that enhances its capabilities in regenerative medicine. The Group’s focus on innovative therapies driven by growth factors will unleash significant clinical and market potential, particularly in treating major health challenges such as wounds, ophthalmic diseases, and metabolic disorders.

The collaboration will establish the “Uni-Bio — WMU Joint Innovation Laboratory for Translational Medicine”, focused on combined EGF/Fibroblast Growth Factor (FGF) therapies in key areas including burns, dermatology and ophthalmology. The laboratory will conduct in-depth research into the synergistic mechanisms of EGF and FGF and develop novel compound formulations and drug delivery systems targeting conditions such as non-alcoholic steatohepatitis, asthma, and bone tissue repair. These diseases represent a large global patient population with significant unmet clinical needs.

With robust support from local government and academic institutions, the Group is poised to create a first-class biomedical ecosystem that enhances its full-cycle capabilities.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group’s bank deposits, bank balances and cash amounted to approximately HK\$168,822,000. The Group had total assets of approximately HK\$579,803,000 (as at 31 December 2024: HK\$517,552,000), and current assets of approximately HK\$334,337,000 (as at 31 December 2024: HK\$318,779,000), while current liabilities were at HK\$103,545,000 as at 31 December 2025 (as at 31 December 2024: HK\$123,496,000). The total current liabilities to total assets ratio is 17.2% (as at 31 December 2024: 23.9%). The Group’s major interest and operations are in the PRC. The Group also contracts with suppliers for goods and services that are denominated in Renminbi (“**RMB**”). The Group does not hedge its foreign currency risks as the rate of exchange between Hong Kong dollar and RMB is managed within a narrow range.

CHARGES ON ASSETS

As at 31 December 2025, the Group’s land use rights included in right-of-use assets, buildings included in property, plant and equipment and trademarks and certificates included in intangible assets with an aggregate carrying amount of approximately HK\$14.5 million (31 December 2024: approximately HK\$15.6 million) were pledged to banks as securities for borrowings granted to the Group.

EMPLOYMENT AND REMUNERATION POLICY

As of 31 December 2025, the Group employed 543 employees, including 33 employees in the PRC R&D department, 244 employees in the PRC production department, 187 employees in the PRC commercial office and 9 managers and 5 R&D employees in the Hong Kong headquarters. The Group has adopted a competitive remuneration package for its employees to attract and retain top talent. Promotion and salary increments are assessed based on performance. Share options may also be granted to staff with reference to the individual’s performance.

DIVIDEND

The Board recommends the payment of a final dividend of HK0.313 cents per Share ("**Final Dividend**") out of share premium account of the Company for the year ended 31 December 2025 (2024: HK0.277 cents per Share).

The payment of the Final Dividend out of share premium account of the Company is conditional upon the satisfaction of the following conditions:

- (a) the passing of a final resolution by the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 26 May 2026 approving the declaration and payment of the Final Dividend out of share premium account of the Company pursuant to the articles of association of the Company;
- (b) the Directors being satisfied that, immediately following the payment of the Final Dividend, the Company shall be able to pay its debts as they fall due in the ordinary course of business; and
- (c) the Company having complied with all requirements under the laws of the Cayman Islands regarding the payment of the Final Dividend out of share premium account of the Company.

The conditions set out above cannot be waived. If the conditions set out above are not satisfied, the Final Dividend will not be paid. Subject to the fulfilment of the above conditions, it is expected that the Final Dividend will be paid in cash on or about 12 June 2026 to the qualifying shareholders of the Company whose names appear on the register of members of the Company at close of business on 3 June 2026, being the record date for determination of entitlements of the qualifying shareholders of the Company to the Final Dividend. Further details regarding the Final Dividend will be set forth in a circular (together with a notice of the forthcoming annual general meeting of the Company to be held on 26 May 2026) to be dispatched to the shareholders of the Company and/or made electronically available on the respective websites of the Stock Exchange and the Company in due course.

AUDIT COMMITTEE

The audit committee currently comprises the three independent non-executive Directors, namely Mr. Chow Kai Ming, Mr. Ren Qimin and Mr. Ma Qingshan. The audit committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025.

The Company's auditor BDO Limited has reported on the financial statements of the Group for the current and prior year. The auditor's reports were unqualified, and did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company has complied with all the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") throughout the year ended 31 December 2025.

Management Discussion and Analysis

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the **"Model Code"**) set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' dealings in the Company's securities. Specific enquiry has been made of all the directors of the Company and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the year under review and up to the date of this report.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the year ended 31 December 2025, the Group did not make any significant investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF ASSETS, SUBSIDIARIES AND ASSOCIATED COMPANIES

Saved as disclosed herein, the Group did not make any material acquisitions and disposals of assets, subsidiaries and associated company during the year ended 31 December 2025.

CONNECTED TRANSACTION

Provision of Loan

On 31 May 2024, 北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Limited*) (the **"Lender"**), an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with 廣州太力生物醫藥科技有限公司 (Guangzhou Taili Biomedical Technology Co., Limited*) (the **"Borrower"**), pursuant to which the Lender agreed to provide the Borrower with a Loan in a principal amount of RMB5,800,000 for a term of 16 months commencing from 1 June 2024, to facilitate the research and development and operations of the Borrower.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires: (i) the Borrower is a limited liability company established in the PRC and principally engaged in the research and development of pharmaceuticals; and (ii) the Borrower is an indirect subsidiary of Deer Biotherapeutics Limited, a company incorporated in the BVI with limited liability which is principally engaged in investment holding.

On 31 May 2024, Deer Biotherapeutics Limited is owned (a) as to approximately 50.5% by Mr. Leung, an executive Director and Chairman of the Board, and his family members; (b) as to 12.24% indirectly by Mr. Yau Kwok Wing Tony, a non-executive Director; (c) as to 8.16% indirectly by Mr. Chen Dawei, an executive Director; (d) as to 12.24% by Fengde Healthcare Fund Limited, a company beneficially owned as to 60% by Ms. Wu Xiaobing and 40% by Ms. Wan Fangli; (e) as to 8.69% under the employee share ownership plan of Deer Biotherapeutics Limited; and (f) as to the remaining shares by various individuals, each of which is an Independent Third Party, each holding not more than 4.5% of the shares of Deer Biotherapeutics Limited. Accordingly, the Borrower is an associate of Mr. Leung who is a connected person of the Company, and thus the Borrower is a connected person of the Company under the Listing Rules.

The advance of the Loan did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules but constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

As the Loan and the Previous Loans were granted to the Borrower within a 12-month period prior to and inclusive of the date of the Loan Agreement, each of the Loan and the Previous Loans were aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the making of the Loan and the Previous Loans, in aggregate, exceeds 0.1% but is less than 5%, the Loan and the Previous Loans, in aggregate, are subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Provision of Loan are set out in the announcements of the Company dated 18 September 2023 and 31 May 2024.

The Loan Novation

On 29 November 2024, 北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Limited*) (the **"Lender"**), an indirect wholly-owned subsidiary of the Company, the 廣州太力生物醫藥科技有限公司 (Guangzhou Taili Biomedical Technology Co., Limited*) (the **"Original Borrower"**) and 東莞太力生物工程有限公司 (Dongguan Taili Biotech Co., Limited*) (the **"New Borrower"**) entered into the Loan Novation Agreement, pursuant to which the New Borrower agreed to assume the Novated Loan due by the Original Borrower to the Lender in a principal amount of RMB8,500,000. The New Borrower is the holding company of the Original Borrower.

The Original Borrower is a limited liability company established in the PRC and principally engaged in the research and development of pharmaceuticals. The Original Borrower is a direct subsidiary of the New Borrower. The New Borrower is a limited liability company established in the PRC and principally engaged in the research and development of pharmaceuticals; the New Borrower is a wholly-owned subsidiary of Deer Biotherapeutics Limited, a company incorporated in the BVI with limited liability which is principally engaged in investment holding.

On 29 November 2024, Deer Biotherapeutics Limited is owned (a) as to approximately 50.50% by Mr. Leung, an executive Director and Chairman of the Board, and his family members; (b) as to approximately 12.24% by a company ultimately controlled as to 50% by Mr. Yau Kwok Wing Tony, a non-executive Director; (c) as to approximately 8.16% indirectly by Mr. Chen Dawei, an executive Director; (d) as to approximately 12.24% by Fengde Healthcare Fund Limited, a company beneficially owned as to 60% by Ms. Wu Xiaobing and 40% by Ms. Wan Fangli; (e) as to approximately 8.69% under the employee share ownership plan of Deer Biotherapeutics Limited; and (f) as to the remaining approximately 8.18% by various individuals, each of which is an Independent Third Party.

Accordingly, the New Borrower is an associate of Mr. Leung who is a connected person of the Company, and thus the New Borrower is a connected person of the Company under the Listing Rules.

On 18 September 2023 and 31 May 2024 in which the Lender had granted to the Original Borrower: (1) the Loan A, being a loan in the principal amount of RMB7,150,000 at the interest rate of 3.65% per annum for a term of 24 months commencing from 19 September 2023; (2) the Loan B, an extended loan in the principal amount of RMB2,350,000 at the interest rate of 3.65% per annum for a term commencing from the drawdown date of 6 August 2023 to 5 August 2025; and (3) a loan in the principal amount of RMB5,800,000 at the interest rate of 3.45% per annum for a term of 16 months commencing from 1 June 2024.

Management Discussion and Analysis

The Group was approached by the Original Borrower in the proposing of the Loan Novation for part of the loans granted by the Lender to be assumed by the New Borrower, its holding company. Given that (i) the Loan Novation does not involve a change in the terms of the Novated Loan other than the assuming of the Novated Loan by the New Borrower due by the Original Borrower; (ii) the New Borrower is in fact the holding company of the Original Borrower and would not affect the repayability of the Novated Loan; (iii) there will be no change in the position of the Group to receive interest for the Novated Loan at an interest rate in short term which is similar or more favorable than the interest rate of fixed deposits offered by commercial banks in the PRC; and (iv) there is no material negative impact to the operations and financial performance of the Group for granting the Loan Novation, the Directors (including the independent non-executive Directors) consider that the Loan Novation, although not in the ordinary course of business of the Company, is on normal commercial terms or better and the terms of the Loan Novation Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Extension of Connected Loans

On 28 July 2025, the Company's wholly-owned subsidiary, 北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Limited*) (the **"Lender"**), entered into two separate extension agreements with connected parties, namely 東莞太力生物工程有限公司 (Dongguan Taili Biotech Co., Limited*) (the **"Borrower"**) and 廣州太力生物醫藥科技有限公司 (Guangzhou Taili Biomedical Technology Co., Limited*) (the **"Borrower"**), to formally extend the maturity dates of four existing loans. These loans, identified as Loan A (RMB7,150,000, originally due 18 September 2025), Loan B (RMB1,350,000, originally due 5 August 2025), Loan C (RMB1,000,000, originally due 5 August 2025), and Loan D (RMB3,141,013.24, originally due 30 September 2025), have all had their repayment schedules extended to a new unified maturity date of 31 December 2025. The amended terms stipulate an interest rate of 3.1% per annum, which will be applied from each loan's respective original maturity date. The loans continue to be secured by a pledge over invention patents held by 廣州太力 (Guangzhou Taili*).

The Board's decision to approve these extensions is based on the rationale that they will provide the Group with short-term interest income at a rate considered comparable to or more favourable than the People's Bank of China's loan prime rate, while the Group confirms it maintains sufficient liquidity notwithstanding these arrangements. The Directors consider the terms of the extensions to be fair and reasonable, conducted on normal commercial terms, and in the best interests of the Company and its shareholders as a whole. This transaction is classified as a connected transaction under Chapter 14A of the Listing Rules. However, it is exempt from the circular and independent shareholder approval requirements, as the highest applicable percentage ratio is below the 5% threshold. Relevant connected Directors abstained from voting on the Board resolutions approving these transactions.

Connected Transactions — Further Extension of Connected Loans

On 29 December 2025, the Company's indirect wholly-owned subsidiary, Beijing Genetech Pharmaceutical Co., Limited (the **"Lender"**), entered into loan extension agreements with the following connected persons:

- (a) A DG Extension Agreement with Dongguan Taili Biotech Co., Limited (**"Dongguan Taili"**) and Guangzhou Taili Biomedical Technology Co., Limited (**"Guangzhou Taili"**) to extend the maturity date of a loan with a principal amount of RMB8,500,000 from 31 December 2025 to 31 December 2027, at an interest rate of 3.0% per annum payable quarterly, and secured by a pledge over two invention patents owned by Guangzhou Taili;
- (b) A GZ Extension Agreement with Guangzhou Taili to extend the maturity date of a loan with a principal amount of RMB4,141,013.24 from 31 December 2025 to 31 December 2027, at an interest rate of 3.0% per annum payable quarterly, and secured by a pledge over two invention patents owned by Guangzhou Taili.

As Dongguan Taili and Guangzhou Taili are associates of Mr. Kingsley Leung, an executive Director and the Chairman of the Board, the above transactions constitute connected transactions of the Company.

The Loan Novation did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, but constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the making of the Loan Novation exceeds 0.1% but is less than 5%, the Loan Novation is subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Provision of Loan are set out in the announcements of the Company dated 18 September 2023, 31 May 2024, 29 November 2024, 28 July 2025 and 29 December 2025.

WTGL Lease Agreement

On 23 December 2022, 深圳市華生元基因工程發展有限公司 (Shenzhen Watsin Genetech Limited*) ("**WTGL**"), an indirect wholly-owned subsidiary of the Company, entered into a lease agreement (the "**WTGL Lease Agreement**") with 深圳市同創生物工程有限 公司 (Shenzhen Tongchuang Biological Engineering Co., Ltd.*) ("**WTGL B**") in respect of the lease of the Premises (as defined below) for a term of two years commencing on 1 January 2025 and ending on 31 December 2026 (both days inclusive) for the Group's certain production facilities.

The Premises includes the entire 1st floor, 2nd floor, 4th floor and the rooftop and part of the 3rd floor of the building, with a total gross floor area of 5,685.47 sq. m., situated at a land parcel located at No.7, Keji Middle 1st Road, Nanshan district, Shenzhen, the PRC (the "**WTGL Land**").

The total consideration is approximately RMB8.19 million (approximately HK\$8.67 million) in aggregate. WTGL is responsible for the water and electricity fees and other amenities incurred during the term. The rent was determined after arm's length negotiations between WTGL B and WTGL, taking into consideration of the prevailing market price of comparable premises in the vicinity of the Premises. The payment of the rent will be funded by the internal resources of the Group.

WTGL B is a limited liability company established in the PRC and separated from WTGL pursuant to the Split-off (分立) undertaken by WTGL whereby the assets and liabilities will be taken up by two entities, namely, the surviving WTGL and WTGL B separately, which was completed on 29 May 2019 (the "**WTGL Split-off**"). Pursuant to the transactions contemplated under the disposal of the WTGL Land and property rights of the buildings constructed on the WTGL Land and all the equity interest in WTGL B (the "**WTGL Disposal**"), the titles of the land use rights of the WTGL Land and property rights of the buildings constructed on the WTGL Land would be transferred to WTGL B and upon such transfer, all the equity interest in WTGL B (the "**WTGL Sale Shares**") would be transferred to Greater Bay Capital Limited (the "**Purchaser B**"). Purchaser B is a company incorporated in BVI with limited liability which is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, as at the date of the WTGL Lease Agreement, the ultimate beneficial owners of Purchaser B are (i) as to 65% by Madam Judy Lau, the mother of Mr. Leung, an executive Director and Chairman of the Board; (ii) as to 20% by Mr. Chen Dawei, an executive Director; and (iii) as to 15% by a company controlled by Mr. Yau Kwok Wing Tony, a non-executive Director. Accordingly, by virtue of the relationship between the parties as elaborated above, each of WTGL B and Purchaser B is a connected person of the Company under the Listing Rules. Hence the transaction contemplated under the WTGL Lease Agreement constitutes a connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules.

Details of the WTGL Lease Agreement are set out in the announcement of the Company dated 24 December 2024.

Profile of Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Kingsley LEUNG, aged 39, has been appointed as an executive director of the Company since 28 February 2014, appointed as the chairman ("**Chairman**") of the Board and the chairman of the Nomination Committee and a member of the Remuneration Committee with effect from 13 January 2017. Mr. Leung joined the Company on 8 July 2013 as Business Development Manager. Mr. Leung graduated with honours with a bachelor's degree in Biochemistry from Imperial College London in July 2008 and obtained a master's degree in Pharmacology from the University of Oxford in September 2009. Mr. Leung is currently a Chartered Financial Analyst and a member of The Hong Kong Society of Financial Analysts. He also holds a Professional Diploma in Corporate Governance and Directorship and is an associate member of the Hong Kong Institute of Directors. He is currently admitted to Tsinghua-INSEAD Executive MBA Programme. Mr. Leung has extensive experience in investment banking and business development in the biotechnology industry.

In 2016 and 2017, Mr. Leung has been awarded and affirmed by the industry and media in diversified ways. He was appointed as the vice-president of the Young Innovation and Development Alliance (YIDA, non-profit organization) in Hong Kong, and accepted the Entrepreneur of the Year 2017 issued by Capital Magazine. Moreover, Mr. Leung was presented an award for world outstanding leaders by Yazhou Zhoukan in 2016 and also was the Young Industrialist Awards of Hong Kong 2020.

Mr. CHEN Dawei, aged 56, has been appointed as an executive director of the Company and the vice-chairman of the Board with effect from 13 January 2017. Mr. Chen obtained an Executive Master's Degree in Business Administration (major in China-America Finance) from Peking University and a Master's Degree in Business Administration from the National University of Singapore. Mr. Chen has over 20 years of experience in enterprise management, capital market and merger and acquisition. He had been the chairman, chief executive officer, executive director and vice-chairman of China Everbright Water Limited (formerly known as HanKore Environment Tech Group Limited) from May 2011 to February 2016, the shares of which are listed on the Main Board of the Singapore Exchange Limited and the sole water business platform of China Everbright Group Ltd. He is currently the executive partner of a Chinese equity investment fund and the chairman of a Singapore capital management company.

Mr. ZHAO Zhi Gang, aged 66, has been appointed as an independent non-executive director of the Company with effect from 1 April 2014 and re-designated as an executive director of the Company and chief executive officer of the Company with effect from 8 April 2019. Mr. Zhao holds a bachelor's degree in Economics from the Peking University and a master's degree in Professional Accounting from the University of Hartford, Connecticut, United States of America ("**U.S.**"). Mr. Zhao is a U.S. certified public accountant and a fellow of the American Institute of Certified Public Accounts. Mr. Zhao has over 20 years of experience in corporate finance and audit practice with various publicly listed companies and Pricewaterhouse Coopers in the U.S. and in China.

Mr. Zhao was the CFO of JMU Limited, whose shares are listed on the NASDAQ Stock Exchange ("**NASDAQ**") from 2014 to 2018. Previously, Mr. Zhao was also the CFO of Borqs Beijing Limited from 2012 to 2014, the CFO of Kingmed Center for Clinical Laboratories from 2011 to 2012, the CFO of Simcere Pharmaceutical Group (whose shares was listed on the New York Stock Exchange) from 2006 to 2011. Prior to that, Mr. Zhao was the CFO of Sun New Media Group Limited, a NASDAQ-listed company, from 2005 to 2006. Before that, Mr. Zhao had also held senior financial positions with several publicly listed companies in the U.S. and was an investment consultant with Beijing International Trust and Investment Company.

Dr. WEN Yalei, aged 61, has been appointed as an executive director and chief operating officer with effect from 16 December 2024 and obtained a doctoral degree in chemical engineering from South China University of Technology. As one of the founders of the Group, Dr. Wen Yalei has accumulated over 30 years of extensive experience in the research and development, production and operation of chemical pharmaceuticals and biological preparations. Since joining Uni-Bio Group in 2002, he has served as General Manager of Dongguan Taili, and the General Manager of several companies including Beijing GeneTech Pharm, Shenzhen Watsin, Guangdong Watsin.

Dr. Wen Yalei successfully established a professional production and R&D team, leading the team to develop and successfully launch multiple chemical drugs and biological agents, making significant contributions to the expansion of the Group's product line and enhancement of market competitiveness. His research project won the first prize of Science and Technology Progress Award of the Chinese Academy of Sciences, which is a high recognition of his scientific research work. Dr. Wen Yalei holds more than 20 patents, several of which have been converted from theory to industrial scale, providing strong support for the Group's revenue growth and product innovation.

NON-EXECUTIVE DIRECTORS

Mr. YAU Kwok Wing Tony, aged 51, has been appointed as non-executive director of the Company with effect from 8 April 2019. Mr. Yau obtained a Bachelor of Arts in Accountancy from the Hong Kong Polytechnic University with first class honors in November 1996. Mr. Yau is a certified public accountant (CPA) of the Hong Kong Institute of Certified public Accountants.

Mr. Yau has over 20 years of experience in management, capital market and investment banking. Mr. Yau is currently the chief executive officer of Futec International Holdings Limited and HeungKong Financial Group Limited, each an affiliate of FUTEC Financial Limited, a substantial shareholder of the Company. Futec International Holdings Limited and HeungKong Financial Group Limited are members of HeungKong Group, a conglomerate with foothold in the Greater China region with business segments ranging from financial, real estate, healthcare, trade logistics, education, etc.. Prior to that, Mr. Yau was a managing director of Global Investment Banking of Deutsche Bank, a company principally engaged in investment banking, from May 2006 to January 2017. From August 2000 to May 2006, Mr. Yau was the vice president of the investment banking department of BNP Paribas Capital (Asia Pacific) Limited.

Ms. ZHANG Qing, aged 39, has been appointed as non-executive director of the Company with effect from 1 November 2024 and the member of the Nomination committee with effect from 27 March 2025. Ms. Zhang has been a partner at a US equity fund since 2020, responsible for venture capital in biotechnology/healthcare and company incubation. Ms. Zhang entered the venture capital industry in 2016, focusing on the field of the deep technology in the pharmaceutical and healthcare sectors. She has been responsible for and involved in more than 30 projects, involving three NASDAQ-listed companies. Prior to joining the venture capital industry, Ms. Zhang worked at Singapore General Hospital as a resident physician. Ms. Zhang obtained a Doctor of Medicine from Peking Union Medical College, Tsinghua University, completed training in NGS-based tumor drug development at Dana-Farber Cancer Institute/Broad Institute, and obtained a Master of Business Administration from Columbia Business School. Currently she serves as a mentor and consultant for the California Life Sciences Association, and an executive committee member of the North American Chinese Biomedical Association.

Profile of Directors and Senior Management

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHOW Kai Ming, aged 60, has been appointed as independent non-executive director of the Company with effect from 1 April 2016. Mr. Chow is currently the chairman of both the Audit Committee and the Remuneration Committee, and a member of the Nomination Committee. Mr. Chow has more than 29 years of experience in financial management, auditing and tax planning in accounting firm. He holds a Master Degree in Business Administration from Heriot-Watt University. He is a fellow member of Hong Kong Institute of Certified Public Accountants (Practising) since 1994 and also a fellow member of the Association of Chartered Certified Accountants since 1997. He is an associate member of both Hong Kong Chartered Governance Institute and Chartered Governance Institute since 1994.

Mr. REN Qimin, aged 71, has been appointed as an independent non-executive director of the Company and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 15 November 2017.

Mr. Ren has more than 27 years of management experience. He was the Deputy Secretary General and Executive Director of the board of directors of the China Association for International Friendly Contact for 10 years, primarily responsible for affairs relating to the Chinese Government and arranging meetings for international governmental agencies, political parties, other commercial organization and senior Chinese governmental authorities. He served as a director and a senior management in several companies since 1993 to present. Previously, Mr. Ren was the senior advisor of the Beijing office of CIGNA Corporation, a global health insurance service company from 1997 to 1999 primarily responsible for government relation affairs. Prior to that, Mr. Ren was also the General Manager of 蓋洛普(中國)諮詢有限公司 (unofficial english translation being Gallup (China) Consulting Limited) which mainly provides market research and polling service, and is a joint-venture set up by a Chinese investor and Gallup Inc. a global performance-management consulting company. Mr. Ren was primarily responsible for assisting it to start its operations in China from 1993 to 1996. Currently, he serves as an executive director of Carta Group Limited, a company principally engaged in international public relations and governmental affairs consultancy service. He obtained a Master Degree in Economics from Anhui University in 1990.

Mr. MA Qingshan, aged 46, has been appointed as independent non-executive director of the Company and the member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee with effect from 8 April 2019. Mr. Ma obtained a double Bachelor's Degree in Finance and E-commerce from the Peking University, PRC in July 2002. Mr. Ma is qualified as a Certified Financial Analyst (CFA).

Mr. Ma has over 18 years of extensive experience in management and consultation. He once served as consulting director of KPMG Advisory (China) Limited and Accenture (China) Co., Ltd. and a partner of Beijing Yucheng Hengsheng Management Consulting Co., Ltd.. He has also provided management consulting services for fifteen Fortune 500 companies and a number of listed companies and fast-growing enterprises. He has extensive experience in company strategic planning, business modelling and control modelling, digitalization and internet transformation, post-merger integration, enterprise performance management, enterprise investment management, business process optimization and global business development. Mr. Ma is an independent non-executive director of China Hanking Holdings Limited since March 2016, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3788).

SENIOR MANAGEMENT

Mr. AN Wen Du, aged 44, is the Head of sales department of the Company from 1 August 2020. He has over 18 years of experience in the pharmaceutical industry. Prior to Uni-Bio Science, Mr. An was responsible for the sales and marketing in Tasly Pharmaceutical Group (600535.SH), a renowned A-share listed company. Mr. An has broad experience in sales channel sourcing, sales forecasting and sales executing, leading the commercialization of several important products, capturing the largest market share in several drug sectors. Mr. An holds a BSc in Science from Henan Agricultural University, an MBA degree from Nankai University.

Ms. LI Jing, aged 47, is the Head of R&D department of the company. Post-doctoral Fellow, University of Medicine and Dentistry of New Jersey, USA, Ph.D. in Biochemistry and Molecular Biology, State Key Laboratory of Supramolecular Structures and Materials, Jilin University. Senior Engineer, Over 10 years of experience in research and development of new drugs in the field of cancer and endocrinology, rich experience in application for new drugs of CTA and NDA. Former head of the Institute of Biopharmaceuticals of the Yangtze River Pharmaceutical Group, published more than 20 academic articles and patents.

Mr. DU Kai, aged 45, has been appointed as the financial controller of the Company with effect from 31 March 2022. Mr. Du graduated from Capital University of Economics and Business in 2004 and he has a bachelor's degree in management. Mr. Du has obtained the accountant qualification awarded by the Ministry of Human Resources and Social Security and the Ministry of Finance of the PRC. He also is a member of the China Certified Tax Agents Association. Mr. Du joined the Group in October 2016 and served as the manager of the financial department of Beijing Genetech Pharmaceutical Company Limited, a subsidiary of the Group. He has served as the deputy financial officer of the Group since September 2019. Mr. Du Kai has over 18 years of experience in finance and taxation, especially in financial management of the biopharmaceutical industry.

Mr. CHEN Wenming, aged 39, is the head of the Medical and Registration Department of the Company. He graduated from Sichuan Normal University with a master's degree in pharmaceutical analysis. He worked as the registration director of Livzon Pharmaceutical Group, and the project he was responsible for won the second prize of National Science and Technology Progress. It has successfully completed the registration and listing of 5 innovative drugs and more than a dozen generic drugs. He has more than 15 years of experience in pharmaceutical research and development and drug registration in well-known large pharmaceutical companies.

Ms. TIAN Wei, aged 43, is the Head of HR and administration department of the Company. She graduated from Chengdu University of Technology with a bachelor's degree in industrial design. She has obtained the qualification certificate of director of human resources legal affairs and the qualification certificate of senior manager of human resources issued by the human resources and social security department. She has over 16 years of experience in human resources administration and management.

Corporate Governance Report

The Group is committed to maintaining and improving the quality of corporate governance so as to ensure better transparency and protection of shareholders' interest in general. The directors ("**Directors**") of the Company believe that good corporate governance practices are increasingly important for maintaining and promoting investor confidence and for stable growth of the Group.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. The Board believes that such commitment will in the long term serve to enhance the Shareholders' value. The Company has applied the principles and adopted all code provisions, where applicable, as set out in the Corporate Governance Code ("**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on Stock Exchange (the "**Listing Rules**") as its own code of corporate governance.

During the year ended 31 December 2025, the Directors consider that the Company has applied the principles and complied with all applicable code provisions set out in the Code contained in Appendix C1 to the Listing Rules for the year ended 31 December 2025.

THE BOARD OF DIRECTORS

The Board currently consists of seven members, including three executive Directors, one being the Chairman, one non-executive Director and three independent non-executive Directors. One of the independent non-executive Directors has the professional and accounting qualifications as required by the Listing Rules.

The Board comprises the following Directors:

Executive directors

Mr. Kingsley LEUNG (*Chairman*)
Mr. CHEN Dawei (*Vice-chairman*)
Mr. ZHAO Zhi Gang (*Chief executive*)
Dr. WEN Yalei (*Chief operating officer*)

Non-executive director

Mr. YAU Kwok Wing Tony
Ms. ZHANG Qing

Independent non-executive directors

Mr. CHOW Kai Ming
Mr. REN Qimin
Mr. MA Qingshan

The Chairman of the Board is Mr. Kingsley LEUNG. The principal function of the Board is to formulate strategy and to monitor and control operating and financial performance in pursuit of the strategic objectives of the Group. The Board, led by the Chairman, is vested with full responsibility for setting objective and business development plans, overseeing the processes that management has in place to identify business opportunities and risks, considering and determining major acquisition and disposal and assuming responsibility for corporate governance.

THE BOARD OF DIRECTORS (CONTINUED)

The management is responsible for implementing the strategies and plans adopted by the Board. Executive Directors and management executives meet monthly to review the performance of the businesses of the business units and of the Group as a whole, co-ordinate overall resources and make financial and operational decisions.

There is no other financial, business, family or other material/relevant relationship amongst the Directors. With a wide range of expertise and a balance of skills, the independent non-executive Directors bring independent judgment on issues of strategic direction, development, performance and risk management through their contribution at board meetings and committee work.

The independent non-executive Directors also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. The Board considers that each independent non-executive Director is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. The Company has received from each independent non-executive Director an annual confirmation of their independence and is satisfied about their independence up to the date of this report. The independent non-executive Directors are explicitly identified in all corporate communications.

All Directors are regularly updated on governance and regulatory matters. There is an established procedure for Directors to obtain independent professional advice at the expense of the Company in the furtherance of their duties. When the Board considers any material proposal or transaction in which a substantial shareholder of the Company or a Director has a conflict of interest, a Board meeting is held and only those executive and independent non-executive Directors who have no interest in the transaction can be counted as quorum and entitled to vote at such board meeting. At the meeting, the Director who has interests shall declare his or her interest and abstain from voting.

THE BOARD OF DIRECTORS (CONTINUED)

In accordance with Rules 3.09F, 3.09G and 3.09H of the Listing Rules, all Directors have participated in appropriate continuous professional development during the year ended 31 December 2025 by attending training courses and reading materials relevant to the Company's business or to their duties and responsibilities. The Company confirms that all Directors, including first-time directors where applicable, have completed the required CPD. A summary of the training completed by each Director, as recorded by the Directors, is as follows:

Names of Directors	Board Roles and Effectiveness	Legal and Regulatory Duties (including Listing Rules)	Corporate Governance and ESG	Risk Management and Internal Controls	Industry-Specific Developments	Total Hours
Executive Directors						
Mr. Kingsley LEUNG	2*	2^	2*	2^	2^	10
Mr. CHEN Dawei	2*	2^	2*	2^	2^	10
Mr. ZHAO Zhi Gang	2*	2^	2*	2^	2^	10
Dr. WEN Yalei**	4*	4^	8*	4^	4^	24
Non-Executive Directors						
Mr. YAU Kwok Wing Tony	2*	2^	2*	2^	2^	10
Ms. ZHANG Qing**	4*	4^	8*	4^	4^	24
Independent Non-Executive Directors						
Mr. CHOW Kai Ming	2*	2^	2*	2^	2^	10
Mr. REN Qimin	2*	2^	2*	2^	2^	10
Mr. MA Qingshan	2*	2^	2*	2^	2^	10

* Internal Training

External Training (Training has been provided by BMI Professional Training Centre Limited)

^ Self-study

** Pursuant to Rule 3.09F of the Listing Rules, as at the date of his/her appointment, the Directors have obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law regarding the requirements under the Listing Rules applicable to his/her role as Directors, including the potential consequences of submitting a false declaration or providing false information to The Stock Exchange. The Directors have confirmed his/her understanding of these obligations.

In compliance with Rule 3.09H of the Listing Rules, Dr. Wen Yalei and Ms. Zhang Qing have each completed not less than 24 hours of training on regulation and legal matters, including the Listing Rules, within the required period following their appointment.

THE BOARD OF DIRECTORS (CONTINUED)

All Directors are committed to devote sufficient time and attention to the affairs of the Group. Directors have also disclosed to the Company the number and nature of offices held in Hong Kong or overseas listed public companies or organizations and other significant commitments, with the identity of the public companies or organizations. Directors are reminded to notify the Company in a timely manner of any changes of such information.

The Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

The Board meets regularly throughout the financial period to review the overall strategy and to monitor the operation as well as the financial performance of the Group. The Board is supplied with relevant information by the management pertaining to matters to be brought before the Board for decision as well as reports relating to operational and financial performance of the Group before each regular Board meeting. The Chairman is primarily responsible for drawing up and approving the agenda for each Board meeting in consultation with all Directors. Notice of at least 14 days have been given to all Directors for all regular Board meetings and the Directors can include matters for discussion in the agenda if necessary. Agenda and accompanying materials in respect of regular Board meetings are sent out in full to all Directors within reasonable time before the meeting. Draft minutes of all Board meetings are circulated to Directors for comment within a reasonable time prior to confirmation.

Minutes of Board meetings and meetings of the Board committees are kept by duly appointed secretaries of the respective meetings and all Directors have access to materials and related materials, and are provided with adequate information on a timely manner, which enables the Board to make an informed decision on matters placed before it.

All Board meetings held during the year ended 31 December 2025 involved the active participation, either in person or through other electronic means of communication, of a majority of the Directors.

Set out below is a summary of the attendance of Directors at the board meetings and general meeting during the year ended 31 December 2025.

	Number of attendance	
	General meeting	Board meetings
Executive Directors		
Mr. Kingsley LEUNG	1/1	4/4
Mr. CHEN Dawei	1/1	4/4
Mr. ZHAO Zhi Gang	1/1	4/4
Dr. WEN Yalei	1/1	4/4
Non-Executive Director		
Mr. YAU Kwok Wing Tony	1/1	4/4
Ms. ZHANG Qing	1/1	4/4
Independent Non-executive Directors		
Mr. CHOW Kai Ming	1/1	4/4
Mr. REN Qimin	1/1	4/4
Mr. MA Qingshan	1/1	4/4

BOARD SKILLS MATRIX

The Board has maintained a skills matrix to ensure that the collective skills, experience, and diversity of the Board align with the Company's strategic objectives. The matrix includes expertise in areas such as financial management, auditing, corporate strategy, risk management, pharmaceutical industry, regulatory affairs, and ESG matters. This combination of skills effectively serves the Company's purpose, values, strategy, and culture.

CHAIRMAN AND CHIEF EXECUTIVE

Under the code provision C.2.1 there is a segregation of duties between the Chairman's responsibility for leadership and management of the Board and the Group's strategies, and the responsibility of the Chief Executive Officer is to develop business objectives and budgets and to implement the Group's strategies. Such division of responsibilities helps to reinforce their accountability and independence. During the year ended 31 December 2025, the roles of Chairman and the Chief Executive Officer are separate. Mr. Kingsley Leung is the Chairman while Mr. Zhao Zhi Gang is the Chief Executive Officer.

NON-EXECUTIVE DIRECTORS

The terms of the non-executive Director and independent non-executive Directors are as follows:

Non-executive Directors

- (1) Mr. YAU Kwok Wing Tony was appointed for a term of 3 years commencing from 8 April 2025.
- (2) Ms. ZHANG Qing was appointed for a term of 3 years commencing from 1 November 2024.

Independent non-executive Directors

- (1) Mr. CHOW Kai Ming was appointed for a term of 3 years commencing from 1 April 2025.
- (2) Mr. REN Qimin was appointed for a term of 3 years commencing from 15 November 2023.
- (3) Mr. MA Qingshan was appointed for a term of 3 years commencing from 8 April 2025.

NON-EXECUTIVE DIRECTORS (CONTINUED)

Director Tenure and Independence

The Board has reviewed the tenure of its independent non-executive Directors ("INEDs") in accordance with Rule 3.13A of the Listing Rules.

- Mr. CHOW Kai Ming was appointed on 1 April 2016. His tenure as at 31 December 2025 has been 9 years and 9 months. In light of his tenure exceeding nine years, the Board, upon the recommendation of the Nomination Committee, has carefully assessed his independence and believes that he continues to demonstrate strong character, integrity, and independence, and fulfils the independence criteria as set out in Rule 3.13 of the Listing Rules. His re-appointment will be subject to a separate resolution to be approved by shareholders at the general meeting, accompanied by a detailed explanation of the assessment.
- Mr. REN Qimin was appointed on 15 November 2017. His tenure as at 31 December 2025 has been 8 years and 1 month.
- Mr. MA Qingshan was appointed on 8 April 2019. His tenure as at 31 December 2025 has been 6 years and 8 months.

The Board confirms that, having conducted a review through the Nomination Committee, each INED continues to fulfil the independence criteria as set out in Rule 3.13 of the Listing Rules. The Board is satisfied with the contributions of all INEDs and believes that their continued service is in the best interests of the Company.

The Board is aware of and will fully comply with the requirements under Rule 3.13A and Code Provisions B.2.3 and B.2.4 of the Corporate Governance Code regarding the tenure and re-appointment of INEDs.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") was established in 2001. The Audit Committee comprised three independent non-executive Directors, namely Mr. CHOW Kai Ming, Mr. REN Qimin and Mr. MA Qingshan. As at the date of this report, Mr. CHOW Kai Ming was the chairman of the Audit Committee. Mr. CHOW Kai Ming has the appropriate professional qualifications and accounting and related financial management expertise as required under Rule 3.21 of the Listing Rules for the purpose of such appointment.

The Audit Committee has adopted written terms of reference to conform to the provisions of the CG Code.

The meetings of the Audit Committee are held not less than twice a year to review and discuss the interim and annual financial statements respectively. Additional meeting may also be held by the Audit Committee from time to time to discuss special projects or other issues which it considers necessary. The external auditors of the Group may request a meeting of the Audit Committee to be convened if they consider that it is necessary.

The main duties of the Audit Committee are as follows:

- To consider the appointment of the external auditors, the audit fee, and any question of resignation or dismissal
- To discuss with the external auditors the nature and scope of the audit
- To review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standard
- To develop and implement policy on the engagement of an external auditors to supply non-audit services
- To review the Group's interim and annual financial statements before submission to the Board
- To discuss problems and reservations arising from the interim and final audits and any matters that the external auditors may wish to discuss
- To review the external auditors' management letter and the management's response
- To review the Group's statement on risk management and internal control system prior to endorsement by the Board
- To discuss the risk management and internal control system with management to ensure that management has performed its duty to have effective systems
- To consider the major findings of any internal investigation and the management's response
- To consider other topics, as defined by the Board

AUDIT COMMITTEE (CONTINUED)

The Audit Committee held two meetings during the year ended 31 December 2024. The attendance record of the Audit Committee meetings is as follows:

Members of the Audit Committee	Number of attendance
CHOW Kai Ming (<i>Chairman</i>)	2/2
REN Qimin	2/2
MA Qingshan	2/2

Throughout the year under review, the Audit Committee discharged its responsibilities by reviewing and discussing the interim financial results, annual financial results and internal control system of the Group.

REMUNERATION COMMITTEE

The Company established a remuneration committee ("**Remuneration Committee**") on 4 November 2005 with written terms of reference in compliance with the CG Code. The Remuneration Committee comprised one executive Director, namely Mr. Kingsley LEUNG, and three independent non-executive Directors, namely Mr. CHOW Kai Ming, Mr. REN Qimin and Mr. MA Qingshan. As at the date of this report Mr. CHOW Kai Ming was the chairman of the Remuneration Committee. No Directors will be involved in any discussion in connection with his own remuneration.

The main duties of the Remuneration Committee are as follows:

- To determine the remuneration policy of the Group
- To make recommendations to the Board on the remuneration package of individual executive Directors and senior management
- To review and approve all equity based plans
- To review the appropriateness and relevance of the remuneration policy
- To approve the performance related pay schemes operated by the Group
- To review all share incentive plans for approval by the Board
- To review annually and take note of the remuneration trends of the Group and obtain reliable and up-to-date information about remuneration packages of other closely comparable companies
- To review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules

It is the Company's policy that the remuneration package of each Director shall be determined by reference to their experience, qualification and the time expected to be devoted by them on the affairs of the Company.

REMUNERATION COMMITTEE (CONTINUED)

The purpose of the Share Option Scheme is to provide incentive or reward to eligible persons for their contribution or potential contribution to the Group. The remuneration committee of the Board is of the view that taking into account (i) offering the Share Options as a share based compensation to be part of the remuneration package for Ms. Zhang can result in limited payment of cash remuneration and therefore is in the interests of the Company and its shareholders; (ii) given that Ms. Zhang will serve as a non-executive Director, it would not be appropriate to set a performance target for non-executive Directors due to the nature of their contributions to the Company as their responsibilities should be more focused on oversight, strategy and governance rather than performance metrics or operational objectives; and (iii) the grant of the Share Options can help motivate Ms. Zhang and reinforce her commitment to long term services of the Group, therefore considered the grant of the Share Options aligned with the purpose of the Share Option Scheme and not to set a performance target for such Share Options.

The Remuneration Committee meets regularly to determine the policy for the remuneration of the Directors, assess performance of the executive Directors and senior management of the Group and approve the terms of the executive Directors' service contracts. During the year ended 31 December 2025, the Remuneration Committee has assessed the performance of the executive Directors, reviewed and discussed the remuneration package of the executive Directors, the remuneration of the non-executive director, independent non-executive Directors and senior management and matters relating to share schemes under Chapter 17 of the Listing Rules. One Remuneration Committee meeting was held during the year ended 31 December 2025. The individual attendance of each member is set out below:

Members of the Remuneration Committee	Number of attendance
Mr. CHOW Kai Ming (<i>Chairman</i>)	1/1
Mr. Kingsley LEUNG	1/1
Mr. REN Qimin	1/1
Mr. MA Qingshan	1/1

The remuneration of Directors is determined with reference to their duties and responsibilities in the Company as well as the prevailing market conditions. Details of emoluments of Directors for the year ended 31 December 2025 are set out in note 14 to the consolidated financial statements. The number of senior management of the Group whose remuneration for the year ended 31 December 2025 fell within the following band is as follows:

	Number of senior management
Nil to HK\$1,000,000	–
HK\$1,000,001 to HK\$1,500,000	1
HK\$1,500,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$2,500,000	–
HK\$2,500,001 to HK\$3,000,000	–
HK\$3,000,001 to HK\$3,500,000	–

NOMINATION COMMITTEE

In compliance with Code Provision B.3.5 of the Corporate Governance Code, the Board appointed Ms. ZHANG Qing, a non-executive Director, to the Nomination Committee with effect from 27 March 2025.

The Nomination Committee shall meet before the annual general meeting of the Company, or at other times as required by the chairman of the Nomination Committee.

The main duties of the Nomination Committee are as follows:

- To determine the policy for the nomination of Directors
- To review the structure, size and composition of the Board regularly and to make recommendations to the Board with regard to any changes required
- To evaluate the balance of skills, knowledge and experience of the Board. Assist in maintaining a board skill Matrix.
- To identify and nominate any candidate for the Board's approval
- To make recommendations for the appointment and removal of the Chairman or any Director
- To make recommendations to the Board on the re-appointment of any non-executive Director at the conclusion of his specified term of office
- To report to the Board on its proceedings after each meeting
- To support the Company in its regular evaluation of the Board's performance.

During the year ended 31 December 2025, the Nomination Committee reviewed the Board's structure, size, and composition against the Board Skills Matrix, assessing the skills, knowledge, experience, independence, and time commitment of each Director. Based on this review, the Committee recommended changes to better align the Board with the corporate strategy. Its responsibilities also included identifying and selecting qualified director candidates, making recommendations on appointments, re-appointments, and succession planning for the Chairman, Chief Executive, and other directors, and supporting the regular evaluation of Board performance.

One Nomination Committee meeting was held during the year ended 31 December 2025. The individual attendance of each member is set out below:

Members of the Nomination Committee	Number of attendance
Mr. Kingsley LEUNG (<i>Chairman</i>)	1/1
Ms. ZHANG Qing	1/1
Mr. CHOW Kai Ming	1/1
Mr. REN Qimin	1/1
Mr. MA Qingshan	1/1

The Company adopted the board diversity policy in June 2014 and is available on the website of the Company on <http://www.uni-bioscience.com>. In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

NOMINATION COMMITTEE (CONTINUED)

In selecting candidates for directorship of the Company, the Nomination Committee may make reference to certain criteria such as the Company's needs, the integrity, experience, skills and professional knowledge of the candidate, board diversity aspects and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External independent professionals might be engaged to carry out selection process when necessary.

NOMINATION POLICY

The Board has adopted the nomination policy (the "**Nomination Policy**") on 31 December 2018 which sets out the nomination criteria and procedures for the Company to select candidate(s) for possible inclusion in the Board. The Nomination Policy could assist the Company to achieve board diversity in the Company and enhance the effectiveness of the Board and its corporate governance standard.

When assessing the suitability of a candidate, factors such as the qualifications, skills, integrity and experience will be taken into consideration as a whole. In the case of independent non-executive Directors, they must further satisfy the independence criteria set out within Rule 3.13 of the Listing Rules. Since the selection of candidates should ensure that diversity remains a central feature of the Board, a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, or professional experience would be considered.

The process to identify potential candidates for the Board would be as follows:

- (1) identifying potential candidates, including recommendations from the Board members, management, professional recruitment agency and the Shareholders;
- (2) evaluating the candidates based on the approved selection criteria, which includes the Board skills Matrix and diversity policy, through methods such as reviewing the resume and background checks;
- (3) reviewing the profiles of the shortlisted candidates and interview them; and
- (4) making recommendations to the Board on the selected candidates.

The Nomination Policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The Nomination Policy will be reviewed on a regular basis.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (1) to develop and review the Company's policies and practices on corporate governance and make recommendations;
- (2) to review and monitor the training and continuous professional development of directors and senior management;
- (3) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (4) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (5) to review the Company's compliance with the code and disclosure in the corporate governance report.

COMPANY SECRETARY

Ms. HO Wing Yan was appointed as the company secretary of the Company with effect from 31 March 2022. All Directors have access to the advice and services of the company secretary. During the year ended 31 December 2025, Ms. HO Wing Yan has taken no less than 15 hours of relevant professional trainings respectively to update her skills and knowledge.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by all Directors. A copy of the Model Code is sent to each Director first on his or her appointment and a reminder is sent to each Director to remind him or her about the blackout period during which he or she cannot deal in the securities of the Company at the appropriate time prior to board meetings to approve the Company's financial results.

Having made specific enquiry to all Directors, all Directors confirmed they had complied with the required standard set out in the Model Code throughout the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

During the Year, the Company has conducted a review of the effectiveness of the risk management and internal control systems of the Company and its subsidiaries in accordance with Code Provision D.2.1 of the Corporate Governance Code. The review is conducted at least annually and the following disclosures are made:

(a) Board's Responsibility and Acknowledgement

A statement from the Board:

- (i) acknowledging its overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and for maintaining appropriate and effective risk management and internal control systems; and
- (ii) confirming that these systems are appropriate and effective for the purposes set out in Principle D2 of the Corporate Governance Code.

(b) Key Features of the Systems

The main features of the risk management and internal control systems include a comprehensive framework of policies, standards, and procedures established by the management in areas of operational, financial, and risk controls. The systems are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement, loss, fraud, and errors. Key features include:

- A structured process for identifying, evaluating, and managing significant risks through regular risk assessment surveys and management self-assessments.
- Procedures for safeguarding assets against unauthorized use, maintaining proper accounting records, and ensuring the reliability of financial information.
- Procedures for the timely, accurate, and complete disclosure of discloseable information, including inside information and any other information required to prevent a false market in the Company's securities, in accordance with the Listing Rules.

The Company has established information disclosure procedures in accordance with regulatory requirements such as the Securities and Futures Ordinance and the Listing Rules, which outline the processes and internal controls for handling and disseminating inside information; additionally, it has adopted a disclosure policy that provides a general guide to directors, senior management, and relevant employees of the Group for the handling and/or monitoring of inside information disclosure pursuant to the relevant rules and regulations.

(c) Changes in the Reporting Period

There were no significant changes during the Year in (i) the Company's assessment of significant risks (including ESG risks) or (ii) the risk management and internal control systems.

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

(d) Internal Audit Function

The Company has an internal audit function supervised by the Audit Committee and assisted by the Internal Control Department. The internal audit department is responsible for periodically assessing the effectiveness of the risk management and internal control systems on a regular basis, ensuring through systematic reviews that internal control measures are effectively implemented. The Audit Committee conducts a comprehensive review at least annually and reports the findings and recommendations for improvement to the Board.

(e) Review Process, Responsibilities, and Frequency

Regarding the responsibility, process, and frequency of reviews, the internal audit department, under the supervision of the Audit Committee, is responsible for conducting reviews to assess the effectiveness of the risk management and internal control systems on a regular basis. The review process includes: identifying key risk areas through systematic evaluation, testing the design and operational effectiveness of control measures, and reviewing relevant documents and records. Reviews are conducted at least once a year, with the Audit Committee reviewing and reporting the results and recommendations to the Board.

(f) Information Supporting the Board's Conclusion

The Board's conclusion on the appropriateness and effectiveness of the risk management and internal control systems is supported and corroborated by multiple sources, including: confirmation from management through periodic assessments and assurances to the Board regarding the operation of internal controls; confirmation from the relevant Board committee responsible for risk management and internal controls (i.e., the Audit Committee) regarding the effectiveness of its supervisory functions; and confirmation from the internal audit department on the effectiveness of its functions, further corroborating the effectiveness of internal controls over financial reporting.

(g) Review Scope and Findings

The scope of the year-end review covered all material controls, including financial, operational, and compliance controls. The review findings concluded that the systems were effective and adequate. No significant control failings or weaknesses were identified during the current reporting period. Consequently, no remedial actions were required.

The Board has, through the Audit Committee, conducted annual review of the effectiveness of the risk management and internal control systems of the Group. The review covered the budget of the Group's accounting and financial reporting function, adequacy of resources, staff qualifications and experience and training programmes during the year ended 31 December 2025. The Board considers that the Group's risk management and internal control systems are adequate and effective.

WHISTLEBLOWING AND ANTI-CORRUPTION POLICIES

In accordance with Code Provisions D.2.6 and D.2.7 of the Corporate Governance Code, the Board has established a whistleblowing policy and system, as well as policies and systems that promote and support anti-corruption laws and regulations.

The whistleblowing policy provides secure and confidential channels for employees and external parties to raise concerns, in confidence and anonymity, with the audit committee about possible improprieties in any matter related to the Company. The Board affirms that no individual will be penalized for reporting concerns in good faith.

The anti-corruption policy clearly defines ethical standards and codes of conduct, adopts a zero-tolerance stance towards bribery and corruption, and provides guidance on the offering and acceptance of business gifts. In addition, the Group has established channels for employees and those dealing with the Group to report suspected improprieties. The Group has also implemented policies and systems to promote and support compliance with anti-corruption laws and regulations.

Further details on the implementation of these policies, including training provided and monitoring activities, are set out in the Environmental, Social and Governance (“**ESG**”) Report of this annual report.

AUDITORS' REMUNERATION

The Group was charged approximately HK\$1.6 million for audit services provided by BDO Limited in respect of the year ended 31 December 2025 and no non-audit services were provided.

BOARD AND WORKFORCE DIVERSITY POLICIES

In compliance with Rule 13.92(1) of the Listing Rules, the Company has adopted a Board Diversity Policy and a Workforce Diversity Policy, and is committed to their implementation.

I. Board Diversity Policy

The Company recognizes and embraces the benefits of having a diverse Board and sees diversity at Board level as an essential element in achieving a sustainable and balanced development of the Company. A truly diverse Board will include and make good use of differences in the talents, skills, regional and industrial experience, background, gender and other qualities of the members of the Board. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All appointments of the members of the Board are made on merit, in the content of the talents, skills and experience the Board as a whole in order for the Board to be effective. The selection process of the Board members will include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

In respect of the gender diversity of the Board, as at the date of the Annual Report, 8 Directors are male and 1 Director is female. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance, and sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. It is expected that the ratio of female Directors will reach more than 10% in the following years. The Company will achieve this goal through active nomination of suitable candidates with no gender limitation to be newly appointed Directors in the next few years. To develop a pipeline of potential successors, we are actively identifying and mentoring high-potential internal and external female executives for future board roles. The Board's succession planning process explicitly includes diversity as a key criterion.

Moreover, the current gender ratio of the company workforce (including senior management) is 100 males per 100 females, compared with 100 males per 100 females of past year. Hence, the Company has already achieved gender diversity and will continue focusing on the area because workforce gender diversity is associated with resources that can provide a sustained competitive advantage to the company, which include market insight, creativity and innovation, and improved problem-solving. Men's and women's different experiences may provide insights into the different needs of male and female customers. Further, men and women may have different cognitive abilities, such as men's proficiency in mathematics and women's proficiency in verbal and interpersonal skills. Therefore, a mix of cognitive abilities in a gender diverse team may enhance the team's overall creativity and innovation as proved by research. Moreover, a gender diverse team produces high quality decisions. Although there may be some mitigating circumstances where gender diversity can be very hard to achieve (for instance, male workers are more commonly seen regarding physical labor and female workers are more often seen during psychological consultation), the Company will keep focusing on the workforce gender diversity to maintain its current strength as well as to further improve its competitiveness in the future.

BOARD AND WORKFORCE DIVERSITY POLICIES (CONTINUED)

II. Workforce Diversity Policy

The Company adopted the Workforce Diversity Policy on 15 April 2025, which applies to all employees (including senior management). The Policy recognizes and endorses the advantages and benefits of workforce diversity. All employee appointments are based on the principle of meritocracy, while giving due consideration to the benefits of workforce diversity when evaluating candidates.

Board Skills Matrix and Expertise

In compliance with Code Provisions B.1.5 of the Corporate Governance Code, the Board has conducted a review of the mix of skills, knowledge, and professional experience of its members. The diverse mix of skills and experience illustrated in the matrix below, particularly in accounting, finance, corporate governance, and business development, equips the Board to effectively guide the Company's strategy, oversee risk, and foster a culture of integrity and sustainable growth.

The following table further illustrates the diversity of the Board members' expertise as of the date of this report:

Name of Directors	Account and Finance Industry	Corporate Governance and Law Industry	Business Development; Business Consultation and Advisory; Business Management
Executive Directors			
Mr. Kingsley LEUNG	√	√	√
Mr. CHEN Dawei			√
Mr. ZHAO Zhi Gang	√		√
Dr. Wen Yalei			√
Non-Executive Directors			
Mr. YAU Kwok Wing Tony	√		√
Ms. ZHANG Qing			√
Independent Non-Executive Directors			
Mr. CHOW Kai Ming	√	√	√
Mr. REN Qimin		√	√
Mr. MA Qingshan	√		√

BOARD PERFORMANCE REVIEW

The Company has implemented regular evaluation of the performance and effectiveness of the Board once every two years in the form of a questionnaire to all Directors individually. Each Director is invited to provide his/her views on the performance of the Board and any suggestions for improving the board process. The results of the evaluation are reviewed by the Nomination Committee and submitted to the Board.

A board performance review has been conducted for the year ended 31 December 2025. Based on the evaluation conducted, the Directors were satisfied with the performance of the Board and considered the Board continued to operate effectively.

MECHANISMS TO ENSURE INDEPENDENT VIEWS

The Company makes certain that the Board has access to independent views and input through the mechanisms listed below:

1. The Nomination Committee should review the Board composition and the independence of the independent non-executive Directors annually, in particular the portion of the independent non-executive Directors and the independence of the independent non-executive Director who has served for more than nine years.
2. A written confirmation was received by the Company under Rule 3.13 of the Listing Rules from each of the independent non-executive Directors in relation to his/her independence to the Company. The Company considers all its independent non-executive Directors to be independent.
3. In view of good corporate governance practices and to avoid conflict of interests, the Directors who are also Directors and/or senior management of the Company's controlling shareholders and/or certain subsidiaries of the controlling shareholders, would abstain from voting in the relevant Board resolutions on the transactions with the controlling shareholders and/or its associates.
4. The chairman of the Board shall meet with independent non-executive Directors at least once annually.
5. All members of the Board can seek independent professional advice when necessary to perform their responsibilities in accordance with the Company's policy.

The mechanisms to ensure independent views are reviewed by the Nomination Committee for ensuring independent views and input are available to the Board on an annual basis, whether in terms of proportion, recruitment and independence of independent non-executive Directors, and their contribution and access to external independent professional advice.

SHAREHOLDERS' RIGHTS

The Board recognizes the importance of good communications with all Shareholders. The Company's annual general meeting for the year ended 31 December 2025 ("**AGM**") was a valuable forum for the Board to communicate directly with the Shareholders. The Chairman of the Board and the chairman of each of the Audit, Remuneration and Nomination Committees together with the external auditors were also present at the AGM to answer Shareholders' questions. The Company has also published a Shareholders communication policy on the website of the Company. Enquiries to the Board or the Company may be sent by post to the Company's principal place of business in Hong Kong at Unit 502, 5/F, No. 20 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong.

All Shareholders' circulars set out the relevant information of the proposed resolutions to be passed at general meetings. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual Directors.

Pursuant to Article 58 of the articles of association of the Company, any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, stating the objects of the meeting and deposited at the principal place of business of the Company in Hong Kong at Unit 502, 5/F, No. 20 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition.

Save as the procedures for Shareholders to convene a general meeting as set out above, there are no other provisions allowing Shareholders to put forward proposals at the general meeting under the articles of association of the Company or under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

A key element of effective communication with Shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced all its inside information, announcement, interim and annual results in a timely manner in compliance with the Listing Rules. The Company also maintains a company website as a channel to let Shareholders know the Company's news and raise questions through emails and telephone.

CONSTITUTIONAL DOCUMENTS

There was no changes in the Company's constitutional documents during the year ended 31 December 2025.

SHAREHOLDERS' COMMUNICATION POLICY

Purpose

The Company recognises the importance of providing current and relevant information to its Shareholders. This shareholders' communication policy (the "**Policy**") aims to set out the provisions with the objective to ensure that the Shareholders and potential investors are provided with equal and timely access to balanced and understandable information about the Company, in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and potential investors to engage actively with the Company.

General Policy

The Board shall maintain an on-going dialogue with Shareholders and will regularly review the Policy to ensure its effectiveness.

Information is communicated to the Shareholders as well as the stakeholders through periodic disclosure through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to The Stock Exchange of Hong Kong Limited ("**HKEx**") and other corporate publications on the HKEx's website and corporate communications on the HKEx website (www.hkex.com.hk) and the Company's website (<http://www.uni-bioscience.com>).

Effective and timely dissemination of information to Shareholders shall be ensured at all times. Any questions, requests and comments can be addressed to the Company by mail to Unit 502, 5/F, No. 20 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong or by email to info@uni-bioscience.com or through the Company's share registrar.

The Company believes that communication with Shareholders by electronic means, particularly through its website, is an efficient way to distribute information in a timely and convenient manner. Shareholders are encouraged to access to the corporate communications posted on the Company's website to help reduce the quantity of printed copies and hence reduce the impact on the environment.

The Company's website will be updated with material posted to the HKEx website immediately thereafter. Such material includes but not limited to financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents.

Shareholders may at any time make a request for the Company's information to the extent such information is publicly available.

Shareholders shall be provided with designated contacts, email addresses and enquiry lines of the Company in order to enable them to make any query in respect of the Company.

The Company has reviewed the implementation and effectiveness of the Shareholders' Communication Policy during the year ended 31 December 2025. The Board concludes that the Policy has been well implemented and is effective in facilitating communication with shareholders.

DIVIDEND

Dividend Policy

The Company has adopted a dividend policy and the declaration and recommendation of dividends are subject to the decision of the Board after considering the Company's ability to pay dividends. The Board has complete discretion on whether to declare and pay an interim dividend and/or to recommend a final dividend, subject to Shareholders' approval, where applicable.

The Directors will take into consideration, among other things, the financial results, operations, liquidity and capital requirements of the Group, general business conditions and strategies, future business plans of the Group and legal restrictions when determining whether or not to recommend and declare dividends. The Board will also review and reassess the dividend policy and its effectiveness on a regular basis or as required.

Confirmation of Dividend Decisions

All dividend decisions made by the Board during the year were made in accordance with the Company's dividend policy as stated above.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31 December 2025, the Directors have selected suitable accounting policies and applied them consistently; adopted appropriate Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards; made adjustments and estimates that are prudent and reasonable; and have prepared the accounts on the going concern basis. The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. The external auditors of the Company acknowledge their reporting responsibilities in the auditors' report on the consolidated financial statements of the Company for the year ended 31 December 2025.

BUSINESS ETHICS

The Company is committed to high standard of business ethics and integrity. A long established code of conduct is enforced on all employees of the Group. No personal gifts or other forms of advantages from any person or organization doing business with the Group can be accepted by any employee. Business partners and suppliers are reminded from time to time that our company's policy forbids our employees or agents from accepting any gift from them.

The Group has developed a code of business conduct for its vendors and suppliers. All the vendors and suppliers of the Group are required to maintain a safe and healthy workplace, fair and ethical employment practice and ensure that proper environmental protection measures are in place. The Group also closely monitors that all the relevant codes of conduct stipulated by our major licensors and customers are strictly followed by its vendors and suppliers.

Directors' Report

The Directors present their annual report and the audited consolidated financial statements of the Group (comprising the Company and its subsidiaries) for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES, SEGMENTAL INFORMATION AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The principal activities of subsidiaries are set out in Note 41 to the consolidated financial statements. Segmental information of the Group is disclosed in Note 6 to the consolidated financial statements.

Further discussion and analysis of these principal activities and a review of the business and performance of the Group for the year under review, including a discussion of the principal risks and uncertainties facing the Group and an indication of the likely future developments in the Group's business, can be found in the section headed "Management Discussion and Analysis" of this annual report. These discussions form part of this report of the Directors.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 86.

DIVIDEND

The Board recommends the payment of a final dividend of HK0.313 cent per Share for the year ended 31 December 2025 (2024: HK0.277 cent). During the year ended 31 December 2025, no interim dividend was declared.

SHARE CAPITAL AND RESERVES

Details of movements in the share capital of the Company during the year under review are set out in Note 34 to the consolidated financial statements.

Movements in reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on page 89 and Note 35 to the consolidated financial statements.

In accordance with the Companies Law (revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital accounts.

As at 31 December 2025, the Company has no reserves available for distribution, as calculated under the provision of section 79B of the Companies Ordinance, and in accordance with the Companies Law Cap. 22 of Cayman Island (2024: nil).

Directors' Report

SUBSIDIARIES

Details of the Company's subsidiaries at 31 December 2025 are set out in Note 41 to the consolidated financial statements respectively.

DIRECTORS

The Directors of the Company during the year ended 31 December 2025 and up to the date of this report were:

Executive Directors

Mr. Kingsley LEUNG (*Chairman*)
Mr. CHEN Dawei (*Vice-chairman*)
Mr. ZHAO Zhi Gang (*Chief executive*)
Dr. WEN Yalei (*Chief operating officer*)

Non-executive Director

Mr. YAU Kwok Wing Tony
Ms. ZHANG Qing

Independent non-executive Directors

Mr. CHOW Kai Ming
Mr. REN Qimin
Mr. MA Qingshan

In accordance with Articles 87(1) and 87(2) of the Company's articles of association, each of Mr. CHEN Dawei, Mr. ZHAO Zhigang and Mr. YAU Kwok Wing Tony will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Biographical information of each of the Directors is set out in the section headed "Profile of Directors and Senior Management" in this annual report.

The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors are independent.

CHANGES IN INFORMATION OF THE DIRECTOR

The changes in the Director's information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

1. With effect from 27 March 2025, Ms. ZHANG Qing, a non-executive Director has been appointed as a member of the Nomination Committee.

Save as disclosed, there is no change to any information required to be disclosed in relation to any Directors pursuant to paragraphs (a) to (e) and (g) under Rule 13.51(2) of the Listing Rules.

DIRECTORS' SERVICE CONTRACTS

Mr. Kingsley LEUNG, an executive Director, has entered into a service agreement with the Company for a fixed term of 3 years from 28 February 2020 and shall continue thereafter from year to year.

Mr. CHEN Dawei, an executive Director, has entered in a service agreement with the Company for a term:

- (1) in the event that the Company has obtained the necessary approval(s) under the Listing Rules (including Shareholders' approval) on or before 4:00 p.m. on 30 June 2017 ("**Long Stop Date**"), a term of 5 years commencing on 13 January 2017 and shall continue thereafter from year to year; or in the event that Company has not obtained the necessary approval(s) under the Listing Rules (including Shareholders' approval) on or before the Long Stop Date, a term of 3 years commencing on 13 January 2017 and shall continue thereafter from year to year, and is subject to retirement and re-election in accordance with the articles of association of the Company; and
- (2) entitled to a monthly salary of HK\$50,000 and an annual discretionary bonus to be determined by the Board. In addition, under the terms of the service agreement, for every 12 months in which Mr. CHEN served as an executive Director, the Company will, as additional benefit and free of payment by Mr. CHEN, allot and issue 15,000,000 service shares of the Company ("**Service Shares**") to Mr. CHEN. Mr. CHEN shall not be entitled to any pro rata entitlement of the relevant Service Shares in the event he failed to serve as an executive Director for each such 12 months in full.

The above director's term, service agreement and Service Shares issue (as defined and described in the circular of the Company dated 8 June 2017) had been duly approved, confirmed and ratified by the way of poll at the extraordinary general meeting dated 23 June 2017.

Mr. ZHAO Zhi Gang, an executive Director, has entered into a service agreement with the Company for a fixed term of 3 years commencing from 8 April 2019 and shall continue thereafter from year to year.

Each of the non-executive Directors and the independent non-executive Directors has been by way of a letter of appointment appointed for a fixed term of 3 years with effect from their respective dates of appointment and subject to renewal upon expiry of the existing term.

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

Directors' Report

DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in Note 14 to the consolidated financial statements. The Directors' remunerations, bonuses and other compensation are determined or recommended by the remuneration committee of the Board with reference to the Directors' duties, responsibilities and the Group's performance and results.

PERMITTED INDEMNITY PROVISION

Under the articles of association of the Company, the Directors for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

The Company has taken out and maintained directors' liability insurance during the year under review for the Directors.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's listed securities.

REMUNERATION POLICY

The remuneration policy of the Group to reward its employees is based on individual performance, qualifications and competence displayed.

The emoluments of the Directors are reviewed by the Remuneration Committee, having regarded to the Company's operating results, individual performance and comparable market statistics.

The Company has a share option scheme in place, of which share options may be granted to eligible persons. Details of the scheme are set out in the section headed "Share Options" of this Directors' report and Note 38 to the consolidated financial statements.

DIRECTORS' REMUNERATION POLICY

A directors' remuneration policy has been adopted. It aims to set out the Company's policy in respect of remuneration paid to executive Directors and non-executive Directors. The Directors' remuneration policy sets out the remuneration structure that allows the Company to attract, motivate and retain qualified Directors who can manage and lead the Company in achieving its strategic objective and contribute to the Company's performance and sustainable growth, and to provide Directors with a balanced and competitive remuneration. The remuneration policy is, therefore, aiming at being competitive but not excessive. To achieve this, remuneration package is determined with reference to a matrix of factors, including the individual performance, qualification and experience of Directors concerned and prevailing industry practice. It will be reviewed and, if necessary, updated from time to time to ensure its continued effectiveness.

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares ("**Shares**"), underlying Shares and debentures of the Company or any of the its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) ("**SFO**")) as recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Number of issued ordinary shares (Note 1)	Number of underlying Shares (Note 1)	Total (Note 1)	Approximate percentage of shareholding (Note 11)
Kingsley LEUNG	Beneficial owner and interest of a controlled corporation (Note 2)	1,790,391,464 (L)	23,239,000 (L)	1,813,630,464 (L)	30.37%
CHEN Dawei	Beneficial owner (Note 4)	171,094,438 (L)	10,480,000 (L)	181,574,438 (L)	3.04%
WEN Yalei	Beneficial owner (Note 10)	130,893,000 (L)	47,440,000 (L)	178,333,000 (L)	2.99%
YAU Kwok Wing Tony	Beneficial owner (Note 3)	100,630,000 (L)	6,420,000 (L)	107,050,000 (L)	1.79%
ZHAO Zhi Gang	Beneficial owner (Note 5)	8,055,000 (L)	83,960,000 (L)	92,015,000 (L)	1.54%
ZHANG Qing	Beneficial owner (Note 9)	–	50,000,000 (L)	50,000,000 (L)	0.84%
CHOW Kai Ming	Beneficial owner (Note 6)	–	9,840,000 (L)	9,840,000 (L)	0.16%
REN Qimin	Beneficial owner (Note 7)	–	8,060,000 (L)	8,060,000 (L)	0.13%
MA Qingshan	Beneficial owner (Note 8)	–	6,420,000 (L)	6,420,000 (L)	0.11%

Directors' Report

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

Notes:

1. The letter "L" denotes the person's long position in the shares and underlying Shares in the Company or its associated corporation(s).
2. These interests consist of: (i) 1,580,971,464 Shares held by Automatic Result Limited ("**Automatic Result**") that is wholly owned by MJKPC Holdings Limited, a family trust of which Mr. Kingsley LEUNG is one of the discretionary objects; (ii) 209,420,000 Shares beneficially held directly by MJKPC Holdings Limited; and (iii) 23,239,000 underlying shares relate to the share options granted by the Company to Mr. Kingsley LEUNG.
3. The 6,420,000 underlying Shares relate to the share options granted by the Company to Mr. YAU Kwok Wing Tony.
4. These interests consist of (i) 171,094,438 Shares held by Mr. CHEN Dawei; and (ii) 10,480,000 underlying Shares relating to the share options granted by the Company to Mr. CHEN Dawei.
5. These interests consist of (i) 8,055,000 Shares held by Mr. ZHAO Zhi Gang; and (ii) 83,960,000 underlying Shares relate to the share options granted by the Company to Mr. ZHAO Zhi Gang on 7 October 2016, 16 November 2017, 9 April 2019 and 31 August 2020 respectively.
6. These underlying Shares relate to the share options granted by the Company to Mr. CHOW Kai Ming on 7 October 2016, 16 November 2017 and 31 August 2020.
7. These underlying Shares relate to the share options granted by the Company to Mr. REN Qimin on 16 November 2017 and 31 August 2020.
8. These underlying Shares relate to the share options granted by the Company to Mr. MA Qingshan on 31 August 2020.
9. These underlying Shares relate to the share options granted by the Company to Ms. ZHANG Qing on 1 November 2024.
10. These interests consist of (i) 130,893,000 Shares held by Dr. WEN Yalei; and (ii) 47,440,000 underlying Shares relating to the share options granted by the Company to Dr. WEN Yalei on 27 January 2016, 3 April 2017, 9 April 2018, 9 April 2019 and 2 April 2020.
11. The percentage of shareholding is calculated on the basis of 5,971,228,147 Shares in issue as at 31 December 2025.

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company, or any of their associates had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SECURITIES

To the best knowledge of the Directors after making reasonable enquiry, as at 31 December 2025, shareholders (other than the Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company were as follows:

Name	Capacity	Number of ordinary shares (Note 1)	Approximate percentage of shareholding (Note 6)
Credit Suisse Trust Limited (Note 2)	Interest of a controlled corporation	1,790,391,464 (L)	29.98%
MJKPC Holdings Limited (Note 3)	Beneficial owner	1,790,391,464 (L)	29.98%
Automatic Result (Note 4)	Beneficial owner	1,580,971,464 (L)	26.48%
Overseas Capital Assets Limited (Note 5)	Beneficial owner	657,180,000 (L)	11.01%

Notes:

1. The letter "L" denotes the person's long position in the shares and underlying shares in the Company.
2. Credit Suisse Trust Limited acts as the trustee of the trust and exercises 100% control over the holding company, MJKPC Holdings Limited. Credit Suisse Trust Limited is the beneficiary of 1,790,391,464 Shares held in a trust by Mr. Kingsley Leung.
3. MJKPC Holdings Limited is a company incorporated in the British Virgin Islands, and is beneficially wholly owned by Mr. Kingsley LEUNG. Under Part XV of the Securities and Futures Ordinance (SFO), Mr. Kingsley LEUNG is therefore deemed to have an interest in the 1,790,391,464 Shares held by MJKPC Holdings Limited.
4. Automatic Result Limited is wholly owned by MJKPC Holdings Limited, which is a family trust which Mr. Kingsley LEUNG is one of the discretionary objects.
5. Based on the individual substantial shareholder notice of Overseas Capital Assets Limited filed on 19 June 2014, Overseas Capital Assets Limited is wholly-owned by He Rufeng.
6. The percentage of shareholding is calculated on the basis of 5,971,228,147 Shares in issue as at 31 December 2025.

Save as disclosed above, the Directors were not aware of any other persons who had relevant interests or short positions in the shares or underlying shares in the Company as at 31 December 2025 which would fall to be disclosed to the Company under the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified the Company.

DIRECTORS' INTEREST IN CONTRACTS

No contracts of significance in which a Director or was materially interested, either directly or indirectly, had subsisted at the end of the year or at any time during the year ended 31 December 2025.

CONTRACTS OF SIGNIFICANCE

No contracts of significance between the Company or one of its subsidiaries, and a controlling shareholder or any of its subsidiaries had subsisted as at the end of the year or at any time during the year ended 31 December 2025.

Directors' Report

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year under review.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

During the year under review, none of the Directors had an interest in any business which competes or may compete with the business in which the Group is engaged.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended under review, the top five customers of the Group together accounted for approximately 55.2% (year ended 31 December 2024: approximately 31.0%) of the Group's total sales for the year while the single largest customer accounted for approximately 22.2% (year ended 31 December 2024: approximately 10.7%) of the Group's total sales during the Year under Review.

The top five suppliers of the Group for the year under review together accounted for approximately 74.4% (year ended 31 December 2024: approximately 63.7%) of the Group's total purchases for the year and the single largest supplier accounted for approximately 14.8% (year ended 31 December 2024: approximately 16.5%) of the Group's total purchases.

None of the Directors, their respective associates or any shareholders of the Company who owns more than 5% of the issued share capital of the Company has any interests in the Group's five largest customers and suppliers.

CONTINGENT LIABILITIES

At 31 December 2025, the Group had no material contingent liabilities.

RETIREMENT BENEFITS SCHEMES

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the **"MPF Scheme"**) under the Mandatory Provident Fund Schemes Ordinance for those Hong Kong employees who are eligible to participate in the MPF Scheme, which contributions are made based on a percentage of the employees' basic salaries and the employees of the Group's subsidiaries which operates in Mainland China are required to participate in a central pension scheme (the **"Central Pension Scheme"**, together with the MPF Scheme, the **"Defined Contribution Schemes"**) operated by the local municipal government, which these subsidiaries are required to contribute a certain percentage, which was pre-determined by the local municipal government, of the sum of basic salary and allowance of employees to the Central Pension Scheme. The contributions by the Group for the Defined Contribution Schemes are charged to the statement of profit or loss as they become payable in accordance with the relevant rules of the respective schemes.

The Group's contributions to the Defined Contribution Schemes vest fully and immediately with the employees. Accordingly, (i) for each of the two years ended 31 December 2024 and 31 December 2025, there was no forfeiture of contributions under the Defined Contribution Schemes; and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the Defined Contribution Schemes as at 31 December 2024 and 31 December 2025.

For each of the two years ended 31 December 2023 and 31 December 2025, the Group did not have any defined benefit plan.

Particulars of the retirement benefits schemes of the Group are set out in Note 15 to the consolidated financial statements.

EQUITY-LINKED AGREEMENT

Save as disclosed in the sections headed “Directors’ Service Contracts” and “Share Option Schemes” of this report, no equity-linked agreement was entered into by the Company during the year ended 31 December 2025 or subsisted as at 31 December 2025.

SHARE OPTION SCHEMES

2001 Share Option Scheme

To enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group, the Company adopted a share option scheme (the “**2001 Scheme**”), pursuant to a written resolution passed by the then shareholders of the Company on 22nd October 2001 (the “**Adoption Date**”). The Board may, at its absolute discretion, offer to grant to any full time employee of the Group (including directors of the Company) (the “**Eligible Person**”), options to subscribe for shares of the Company.

Subject to certain other provisions of the 2001 Scheme as disclosed in the Company’s IPO Prospectus. The maximum number of shares in respect of which options may be granted (including shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Scheme and under any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue.

Subject to certain other conditions of the share option scheme as disclosed in the Company’s IPO Prospectus, the total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised or outstanding options) to each Eligible Person in any twelve-month period must not exceed 1% of the issued share capital of the Company for the time being.

Pursuant to the 2001 Scheme, an Option may be exercised in whole or in part in the manner provided in the Scheme by a grantee giving notice in writing to the Company at any time during a period commencing one year after the date of the Options, to be notified by the Board of the Company to the grantee, which shall be not less than 3 years nor more than 10 years from the date an Option is granted.

Upon application or acceptance of the option, the grantee shall pay HK\$1.00 to the Company as consideration for the grant.

The subscription price of options pursuant to the 2001 Scheme is absolute discretion determined by the Board and will not be less than the highest of the following: (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share, provided that for the purpose of determining the subscription price of the shares where the shares have been listed on the Stock Exchange for less than 5 business days preceding the date of grant, the issue price of the shares in connection with such listing shall be deemed to be the closing price of the shares for each business day falling within the period before the listing of the shares on the Stock Exchange.

There are no shares available for issue under the 2001 Scheme. The 2001 Scheme was terminated following the adoption of a new share option scheme on 22 September 2006.

SHARE OPTION SCHEMES (CONTINUED)

2006 Share Option Scheme

Pursuant to ordinary resolutions passed by the shareholders of the Company on 22 September 2006, the Company terminated the 2001 Scheme and adopted a new share option scheme (the **"2006 Scheme"**). Under the 2006 Scheme, which is valid for a period of ten years, the board of directors of the Company may, at its discretion grant options to subscribe for shares in the Company to eligible participants (**"Eligible Participants"**) who contribute to the long-term growth and profitability of the Company. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) (the **"Eligible Employee"**) of the Company, any of its subsidiaries or any entity (**"Invested Entity"**) in which any member of the Group holds an equity interest; (ii) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any other group or class of participants who has contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The subscription price for the Company's shares shall be a price at least equal to the highest of the nominal value of the Company's shares, the average of the closing prices of the Company's shares quoted on the Stock Exchange on the 5 trading days immediately preceding the date of an offer of the grant of the options and the closing price of the Company's shares quoted on the Stock Exchange on the date of an offer of the grant of the options. The options must be taken up within 28 days from the date of grant upon payment of HK\$1 and are exercisable over a period to be determined and notified by the directors to each grantee, which period may commence from the date of acceptance of the offer of the grant of the options but shall end in any event not later than 10 years from the date of adoption of the 2006 Scheme.

As at the date of this report, the total number of shares available for issue under the 2006 Scheme is 193,240,000, representing approximately 3.15% of the issued shares of the Company. The number of Shares that may be issued in respect of options granted under 2006 Scheme of the Company during the Year is 193,240,000, representing 3.15% of the weighted average number of Shares of the relevant class in issue of Company for the Year. The total number of the Company's shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) under the 2006 Scheme or other schemes of the Group in any 12-month period up to the date of grant must not exceed 1% of the Company's shares in issue at the date of grant unless approved by the Company's shareholders in general meeting.

The Directors consider the 2006 Scheme, with its broadened basis of participation, will enable the Group to reward the employees, directors and other selected participants for their contributions to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth and stability of the Group. The share options are vested immediately on the date of grant.

The 2006 Scheme was terminated following the adoption of a new share option scheme on 26 September 2016.

SHARE OPTION SCHEMES (CONTINUED)

2016 Share Option Scheme

Pursuant to ordinary resolutions passed by the shareholders of the Company on 26 September 2016, the Company terminated the 2006 Scheme and adopted a new share option scheme (the **"2016 Scheme"**). Under the 2016 Scheme, which is valid for a period of ten years, the Board may, at its discretion grant options to subscribe for Shares to the following participants:

- (1) directors and employee of the Company and any of its subsidiaries (including persons who are granted options or awards under the scheme as an inducement to enter into employment contracts with these companies) (**employee participants**);
- (2) directors and employee of the holding companies, fellow subsidiaries or associated companies of the Company (**related entity participants**); and
- (3) persons who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long growth of the Group (**service providers**).

The subscription price for the Shares in relation to options to be granted under the 2016 Scheme shall be determined by the Board and shall be at least the highest of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares. The vesting period for options shall not be less than 12 months. The options must be taken up within 21 days from the date of grant upon payment of HK\$1 and are exercisable over a period to be determined and notified by the Directors to each grantee, which period may commence from the date of acceptance of the offer of the grant of the options but shall end in any event not later than 10 years from the date of adoption of the 2016 Scheme. The remaining life of the 2016 Scheme is 1 year.

The total number of the Shares which may be issued upon exercise of all options to be granted under the 2016 Scheme and any other schemes of the Group (excluding options lapsed in accordance with the terms of the 2016 Scheme and any other schemes of the Group) must not in aggregate exceed 10% of the Shares in issue as at the date of adoption of the 2016 Scheme. The total number of Shares available for issue under the 2016 Scheme is 487,651,012, representing approximately 8.17% of the issued shares of the Company as at the date of this report. Total 143,142,012 options available for grant under the scheme mandate at the beginning and 93,142,012 options at the end of the financial year. The number of Shares that may be issued in respect of options granted under 2016 Scheme of the Company during the Year is 394,509,000, representing 6.42% of the weighted average number of Shares of the relevant class in issue of Company for the Year. The total number of the Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) under the 2016 Scheme or other schemes of the Group in any 12-month period up to the date of grant must not exceed 1% of the Shares in issue at the date of grant unless approved by the Company's shareholders in general meeting.

Directors' Report

SHARE OPTION SCHEMES (CONTINUED)

2016 Share Option Scheme (Continued)

The Directors consider the 2016 Scheme, with its broadened basis of participation, will enable the Group to reward the employees, Directors and other selected participants for their contributions to the Group and will also assist the Group in its recruitment and retention of high caliber professionals, executives and employees who are instrumental to the growth and stability of the Group. Further details of share options were set out in Note 38 to the consolidated financial statements.

The following table discloses movements in the Company's share options of the 2006 Scheme and 2016 Scheme during the year:

	Number of share options					At 31 December 2025	Date of grant of share options	Validity period of share options	Exercise price of share options HK\$ per share
	At 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year				
Directors:									
Kingsley LEUNG	3,020,000	–	–	–	3,020,000	–	10 July 2015	10 July 2015 to 9 July 2025	0.215
	4,640,000	–	–	–	–	4,640,000	7 October 2016	7 October 2016 to 6 October 2026	0.1714
	6,000,000	–	–	–	–	6,000,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	6,179,000	–	–	–	–	6,179,000	9 April 2019	9 April 2019 to 8 April 2029	0.1600
	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
ZHAO Zhi Gang	1,160,000	–	–	–	1,160,000	–	10 July 2015	10 July 2015 to 9 July 2025	0.215
	1,780,000	–	–	–	–	1,780,000	7 October 2016	7 October 2016 to 6 October 2026	0.1714
	1,640,000	–	–	–	–	1,640,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	60,000,000	–	–	–	–	60,000,000	9 April 2019	9 April 2019 to 8 April 2029	0.1600
	20,540,000	–	–	–	–	20,540,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
CHOW Kai Ming	1,780,000	–	–	–	–	1,780,000	7 October 2016	7 October 2016 to 6 October 2026	0.1714
	1,640,000	–	–	–	–	1,640,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126

SHARE OPTION SCHEMES (CONTINUED)

2016 Share Option Scheme (Continued)

	Number of share options					At 31 December 2025	Date of grant of share options	Validity period of share options	Exercise price of share options HK\$ per share
	At 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year				
CHEN Dawei	4,060,000	–	–	–	–	4,060,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
REN Qimin	1,640,000	–	–	–	–	1,640,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
YAU Kwok Wing Tony	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
MA Qingshan	6,420,000	–	–	–	–	6,420,000	31 August 2020	31 August 2020 to 30 August 2030	0.126
ZHANG Qing	16,500,000	–	–	–	–	16,500,000	1 November 2025	1 November 2025 to 31 October 2034	0.066
	16,500,000	–	–	–	–	16,500,000	1 November 2026	1 November 2026 to 31 October 2034	0.066
	17,000,000	–	–	–	–	17,000,000	1 November 2027	1 November 2027 to 31 October 2034	0.066
WEN Yalei	560,000	–	–	–	560,000	–	23 January 2015	23 January 2015 to 22 January 2025	0.230
	1,940,000	–	–	–	–	1,940,000	27 January 2016	27 January 2016 to 26 January 2026	0.172
	1,390,000	–	–	–	–	1,390,000	3 April 2017	3 April 2017 to 2 April 2027	0.150
	1,590,000	–	–	–	–	1,590,000	9 April 2018	9 April 2018 to 8 April 2028	0.150
	40,000,000	–	–	–	–	40,000,000	9 April 2019	9 April 2019 to 8 April 2029	0.160
	2,520,000	–	–	–	–	2,520,000	2 April 2020	2 April 2020 to 1 April 2030	0.154

Directors' Report

SHARE OPTION SCHEMES (CONTINUED)

2016 Share Option Scheme (Continued)

	Number of share options					At 31 December 2025	Date of grant of share options	Validity period of share options	Exercise price of share options HK\$ per share
	At 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year				
Employees	10,320,000	–	–	–	10,320,000	–	23 January 2015	23 January 2015 to 22 January 2025	0.230
	18,760,000	–	–	–	–	18,760,000	27 January 2016	27 January 2016 to 26 January 2026	0.172
	33,560,000	–	–	–	–	33,560,000	3 April 2017	3 April 2017 to 2 April 2027	0.1500
	30,624,000	–	–	–	–	30,624,000	9 April 2018	9 April 2018 to 8 April 2028	0.1500
	22,449,000	–	–	–	–	22,449,000	9 April 2019	9 April 2019 to 8 April 2029	0.1600
	33,260,000	–	–	–	–	33,260,000	2 April 2020	2 April 2020 to 1 April 2030	0.154
Service Providers	33,100,000 (Note 2)	–	–	–	33,100,000	–	23 January 2015	23 January 2015 to 22 January 2025	0.230
	3,080,000 (Note 1)	–	–	–	3,080,000	–	10 July 2015	10 July 2015 to 9 July 2025	0.215
	120,000,000 (Note 3)	–	–	–	120,000,000	–	17 August 2015	17 August 2015 to 16 August 2025	0.237
	1,300,000 (Note 1)	–	–	–	–	1,300,000	27 January 2016	27 January 2016 to 26 January 2026	0.172
	2,680,000 (Note 1)	–	–	–	–	2,680,000	7 October 2016	7 October 2016 to 6 October 2026	0.1714
	2,010,000 (Note 1)	–	–	–	–	2,010,000	3 April 2017	3 April 2017 to 2 April 2027	0.1500
	3,000,000 (Note 4)	–	–	–	–	3,000,000	5 July 2018	5 July 2018 to 4 July 2028	0.1050
	3,300,000 (Note 1)	–	–	–	–	3,300,000	9 April 2019	9 April 2019 to 8 April 2029	0.1600
	35,000,000 (Note 5)	–	–	–	–	35,000,000	2 April 2020	2 April 2020 to 1 April 2030	0.154
	1,093,000 (Note 1)	–	–	–	–	1,093,000	16 November 2017	16 November 2017 to 15 November 2027	0.1574
	604,135,000	–	–	–	171,240,000	432,895,000			

SHARE OPTION SCHEMES (CONTINUED)

2016 Share Option Scheme (Continued)

Notes:

- (1) These share options were held by persons who were employees of the Group as at the date of grant of share options and became consultants of the Group after they ceased to be employees of the Group (the **"Consultants"**). Each of the Consultants is an independent third party and a financial consultant to the Group. The Consultants have extensive experience in the aspect of taxation and finance and provide interrelated services to the Group. As the Consultants have provided services which contributed to the value of the Group, the Board believes that granting these share options to the Consultants as consideration for its services was align with the objective of the 2016 Scheme.
- (2) These share options were granted to a consultant (**"Consultant A"**), who is an independent third party, for being the investment consultant of the Company, offering Hong Kong and PRC investment consultancy services to the Company. As Consultant A has provided services which contributed to the value of the Group, the Board believes that granting these share options to Consultant A as consideration for its services was align with the objective of the 2016 Scheme.
- (3) These share options were granted to Consultant A and two other consultants (**"Consultant B"** and **"Consultant C"** respectively), each of them an independent third party, as consideration for their services, as contained in the service agreement entered into between the Group and each of Consultant A, Consultant B and Consultant C respectively. Each of Consultant A, Consultant B and Consultant C was hired to explore investment opportunities and other strategic cooperation plans in PRC. As each of Consultant A, Consultant B and Consultant C has provided services which contributed to the value of the Group, the Board believes that granting these share options to Consultant A, Consultant B and Consultant C as consideration for their services was align with the objective of the 2016 Scheme. Consultant A, Consultant B and Consultant C were granted with 40,000,000 share options each respectively on 17 August 2015.
- (4) These share options were granted to a consultant (**"Consultant D"**), who is an independent third party, for being the investment consultant of the Company, offering Hong Kong and PRC investment consultancy services to the Company. As Consultant D has provided services which contributed to the value of the Group, the Board believes that granting these share options to Consultant D as consideration for its services was align with the objective of the 2016 Scheme.
- (5) These share options were granted to a consultant (**"Consultant E"**) who is an independent third party as consideration for its services, as contained in the service agreement entered into between the Group and Consultant E. Consultant E was hired to help evaluate, recommend and execute a plan in order to optimise the manufacturing cost of the certain product. As Consultant E has provided services which contributed to the profitability of the Group, the Board believes that granting these share options to Consultant E as consideration for its services was align with the objective of the 2016 Scheme.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in this Directors' report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares in, or debt securities including debentures of, the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities.

Directors' Report

EVENTS AFTER REPORTING PERIOD

Saved as disclosed herein, there are no significant subsequent events after the reporting Year.

CORPORATE GOVERNANCE

The Company is committed to the establishment of good corporate governance practices and procedures. The Company's corporate governance principles and practices are set out in the section headed "Corporate Governance Report" of this annual report.

AUDIT COMMITTEE

The Company sets up the Audit Committee for the purpose of reviewing and providing supervision over the Company's financial reporting procedures and the internal control system, and maintaining an appropriate relationship with the Company's auditors.

Written terms of reference which govern the authority and duties of the Audit Committee were adopted to comply with the requirements of the code provisions of the CG Code set out in the Listing Rules.

The Audit Committee provides an important linkage between the Board and the Company's auditors in relation to audit, financial reporting and internal control matters. The Audit Committee had reviewed with the auditors and the management of the Company the audited results of the Group for the year ended 31 December 2025, the accounting principles and practices adopted by the Company and certain other matters relating to the internal control and financial reporting procedures of the Company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the period under review and up to the date of this report.

DONATIONS

The Group makes regular contributions in terms of financial and other supports to various charitable organizations. Employees are also encouraged to have direct and active involvement in fund raising activities for the needs of the society. The Group did not make any donations during 2025 (2024: 1,841,000).

RELATED PARTY TRANSACTIONS

Connected Transactions

During the year ended 31 December 2025, the Group entered into transactions with related parties, including two separate extensions of certain connected loans as detailed below. Save as disclosed herein, these transactions were either not regarded as connected transactions or continuing connected transactions under the Listing Rules, or were exempt from the reporting, announcement and shareholders' approval requirements under the Listing Rules. Details of these related party transactions are disclosed in Note 40 to the consolidated financial statements.

1. *Extension of Connected Loans in July 2025*

Reference is made to the announcements of the Company dated 31 May 2024 and 29 November 2024 in relation to the advance and, where appropriate, novation of certain connected-party loans.

On 28 July 2025, the Group extended RMB12.64 million in connected-party loans (comprising Loan A: RMB7.15 million; Loan B: RMB1.35 million; Loan C: RMB1.00 million; Loan D: RMB3.14 million) to a unified maturity date of 31 December 2025, with the interest rate adjusted to 3.1% per annum. The loans remained secured by pledged patents and continued to support the borrowers' research and development activities.

This extension constituted a connected transaction under Chapter 14A of the Listing Rules (with all applicable percentage ratios falling between 0.1% and 5%). The transaction was subject to the reporting and announcement requirements but was exempt from independent shareholders' approval. The Board (with the interested directors abstaining from voting) considered the terms of the extension to be on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

For details, please refer to the announcement of the Company dated 28 July 2025.

2. *Further Extension of Connected Loans in December 2025*

Reference is made to the announcements of the Company dated 31 May 2024, 29 November 2024 and 28 July 2025 in relation to the aforesaid connected-party loans.

On 29 December 2025, the 北京博康健基因科技有限公司 (Beijing Genetech Pharmaceutical Co., Limited*) (the "Lender"), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company entered into separate agreements to further extend the maturity dates of the outstanding connected-party loans. The principal amounts and key terms of the extensions were as follows:

DG Loan Extension Agreement: The principal amount of RMB8,500,000 owed by 東莞太力生物工程有限公司 (Dongguan Taili Biotech Co., Limited*), a limited liability company established in the PRC (the "Dongguan Taili") was extended to mature on 31 December 2027. The interest rate was set at 3.0% per annum effective from 1 January 2026, with interest payable quarterly. The loan continues to be secured by a pledge over two invention patents.

GZ Loan Extension Agreement: The principal amount of RMB4,141,013.24 owed by 廣州太力生物醫藥科技有限公司 (Guangzhou Taili Biomedical Technology Co., Limited*), a limited liability company established in the PRC, (the "Guangzhou Taili") was extended to mature on 31 December 2027. The interest rate was set at 3.0% per annum effective from 1 January 2026, with interest payable quarterly. The loan continues to be secured by a pledge over two invention patents owned by the borrower.

RELATED PARTY TRANSACTIONS (CONTINUED)

Connected Transactions (Continued)

2. Further Extension of Connected Loans in December 2025 (Continued)

As at the date of the extensions, all accrued interest up to 31 December 2025 had been settled.

This further extension constituted a connected transaction under Chapter 14A of the Listing Rules (with the highest applicable percentage ratio exceeding 0.1% but being less than 5%). The transaction was subject to the announcement and reporting requirements but exempt from the circular and independent shareholders' approval requirements. The terms, including the interest rate, were determined after arm's length negotiations with reference to prevailing market rates. The Board (with Mr. Kingsley Leung, Mr. Chen Dawei and Mr. Yau Kwok Wing Tony abstaining from voting) considers the terms to be fair and reasonable and in the interests of the Company and its shareholders as a whole.

For details, please refer to the announcement of the Company dated 29 December 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in Note 16 to the consolidated financial statements.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results of the Group for the last five financial years is set out in the section headed "Five-Tear Financial Summary" of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group recognises its responsibility to protect the environment while carrying out its business activities. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. The Group has adopted green initiatives and measures in its business operations such as recycling of used papers, energy saving measures and water saving practices.

One of the Group's subsidiaries in Shenzhen, Shenzhen Watsin Genetech Limited ("**Shenzhen Watsin**"), utilised safer and more efficient sewage treatments to improve the energy efficiency of its biofilm processes and technologies. Shenzhen Watsin was given an Honorary Clean Production Enterprises award by the Guangdong Provincial government in 2014 and further recognized as the Top Environmentally Friendly Enterprise in 2015.

The Group implemented the "5R" principles which align with our vision of sustainable development and adopting green consumption, and they are:

- Reduce: Reduce unnecessary consumption. Avoid buying unnecessary or excessive goods
- Re-evaluate: Choose products that are natural or made from recycled materials
- Reuse: Consider ways in which to repurpose products
- Recycle: Choose products that can be recycled
- Rescue: Choose reusable designs, reduce usage of disposable products

KEY RELATIONSHIPS

(a) Employees

Human resources are one of the greatest assets of the Group and the Group ensures all staff are reasonably remunerated and also continues to improve and regularly review and update its policies on remuneration, benefits and trainings. The Group is committed to providing its employees with a safe, pleasant and healthy working environment. The Group rewards and recognises employees with competitive remuneration packages and implements a key performance index scheme with appropriate incentives, and promotes career development and progression by providing opportunities for career advancement. During the year under review, recreational activities and team building activities were held to enhance internal communication, reinforce a sense of belonging and promote staff team building.

(b) Suppliers

Our major suppliers are reliable and had business relationship with the Group for over 5 years on average, which mainly located within Guangdong province, the PRC.

The credit terms granted to the Group ranged from 30 to 90 days. The payables were usually settled within the credit period. Details of the trade and bills payables of the Group as at 31 December 2025 are set out in note 29 to the consolidated financial statements. Up to the date of this report, approximately 100% of the trade and bills payable to the major suppliers has been settled. The Group has developed long-standing relationships with a number of suppliers and taken great care to ensure that they share the Group's commitment to quality and ethics. The Group carefully selects its suppliers and requires them to satisfy certain assessment criteria, including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

(c) Customers

Our major customers include pharmaceutical commercial companies. The years of business relationship with the Group ranged from 3 to 16 years and the credit terms granted to the major customers ranged from 30 to 120 days. Details of the trade and bills receivables of the Group as at 31 December 2025 are set out in note 25 to the consolidated financial statements. Up to the date of this report, approximately 85.1% of the trade and bills receivables from the major customers has been settled.

During the year ended 31 December 2025, the Group has not experienced any major disruption of business due to material delay or default of payment by our customers due to their financial difficulties. We did not have any material dispute with our customers. The Group is committed to offer good-quality products to its customers, which are mainly hospitals. The Group has stayed connected and maintained a close relationship with its customers by maintaining a customer information database and having ongoing communications with its customers through various channels, such as telephone calls, direct mails, visits, marketing materials and meetings.

Further discussions on the Group's environmental policy and our relationships with various stakeholders are covered by a separate environmental, social and governance report which will be available on the Group's website under the "Corporate Social Responsibility" section and the website of the Stock Exchange on or before 30 April 2026.

Directors' Report

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out in the People's Republic of China ("**PRC**") while the Company itself is listed on the Stock Exchange. The Group's establishment and operations accordingly shall comply with all PRC and Hong Kong laws and applicable laws in the jurisdictions where it has operations, further details of which are discussed in the environmental, social and governance report, the discussion of which forms part of this Directors' report. During the year under review and up to the date of this annual report, the Group has complied with all relevant laws and regulations in the PRC and Hong Kong in all material respects.

AUDITORS

BDO Limited, the auditor of the Company, will retire at the conclusion of the forthcoming AGM of the Company and be eligible to offer itself for re-appointment. A resolution will be submitted to the AGM to be held on 26 May 2026 to seek the Shareholders' approval on the re-appointment of BDO Limited as the Company's auditor until the conclusion of the next AGM and to authorize the Board to fix its remuneration.

On behalf of the Board

Kingsley LEUNG

Chairman

Hong Kong, 27 March 2026

Independent Auditor's Report



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TO THE SHAREHOLDERS OF UNI-BIO SCIENCE GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Uni-Bio Science Group Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages 86 to 176, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “**Code**”) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

Key audit matter is those matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Independent Auditor's Report

KEY AUDIT MATTER (CONTINUED)

Expected credit losses on trade receivables and loan receivables

Refer to notes 25 and 26 to the consolidated financial statements

We identified expected credit loss assessment of trade receivables and loan receivables as a key audit matter due to the significance of trade receivables and loan receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECLs") of the Group's trade receivables and loan receivables at the end of the reporting period.

As at 31 December 2025, the Group's net trade receivables and net loan receivables amounting to approximately HK\$68,418,000 and HK\$20,832,000 which represented approximately 12% and 4% of total assets of the Group respectively.

The management of the Group applies the simplified approach to calculate ECLs of trade receivables, which is measured using the amount of lifetime ECLs of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables with significant outstanding balances considered as low risk are assessed for ECLs individually, the estimated loss rates are based on overdue balances, information regarding the ability and intent of the debtors to pay and historical data on industry default rates and are adjusted for forward-looking information.

The loss allowance amount of the credit-impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

The management of the Group estimates the amount of ECLs of loan receivables under a "three-stage" model. In measuring the loss allowance against loan receivables, the management assesses the loss allowance for loan receivables under ECLs model individually by considering various factors, including making assumptions about probability of default, loss given default, ageing of loan receivables balances, borrowers' current creditworthiness, the intention of the borrowers to pay and forward looking information.

The Group's ECLs recognised on trade receivables and loan receivables as at 31 December 2025 amounted to approximately HK\$8,814,000 and HK\$3,486,000 respectively.

Our response:

We performed audit procedures in relation to impairment assessment of trade receivables and loan receivables which included:

- Evaluating the methodology and key assumptions adopted by management in assessing ECLs and discussing them with management;
- Challenging the reasonableness of key assumptions based on our knowledge of the business and industry;
- Checking, on a sample basis, the accuracy and relevance of the underlying data used by management in capturing the aging; and
- Checking subsequent settlements of the trade receivables and loan receivables on sampling basis to review the reasonableness of the ECLs.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibilities in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We also provide those the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited

Certified Public Accountants

Chow Tak Sing, Peter

Practising Certificate Number P04659

Hong Kong, 27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	6	586,211	552,980
Cost of sales		(98,650)	(91,912)
Gross profit		487,561	461,068
Other revenue	7	10,336	8,885
Other gains and losses, net	8	(1,907)	(12,889)
Selling and distribution costs		(292,013)	(261,555)
General and administrative expenses		(60,444)	(50,685)
Research and development expenses		(39,769)	(52,281)
Equity-settled share-based payment expenses	38	(1,011)	(183)
Finance costs	9	(1,506)	(1,189)
Share of profit/(loss) of a jointly controlled entity	21	274	(1)
Profit before taxation	10	101,521	91,170
Income tax expense	11	(8,194)	(8,396)
Profit for the year		93,327	82,774
Other comprehensive income, net of tax			
Item that may be reclassified subsequently to profits or loss:			
Exchange differences arising on translation of foreign operations		9,872	10,347
Item that will not be reclassified to profit or loss:			
Fair value changes on equity investment at fair value through other comprehensive income ("FVTOCI")		(68)	—
Other comprehensive income for the year		9,804	10,347
Total comprehensive income for the year		103,131	93,121
Earnings per share (HK cents)			
— Basic	12	1.56	1.35
— Diluted	12	1.56	1.35

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current assets			
Property, plant and equipment	16	163,590	117,818
Right-of-use assets	17	14,485	20,520
Intangible assets	18	38,196	36,460
Deposits paid for the acquisition of property, plant and equipment	20	5,630	9,444
Interest in a jointly controlled entity	21	7,287	9,999
Deferred tax assets	33	2,575	4,123
Convertible promissory note	22	–	409
Financial assets at fair value through other comprehensive income	23	1,580	–
Loan receivables — non-current portion	26	12,123	–
		245,466	198,773
Current assets			
Inventories	24	36,999	33,777
Trade and other receivables	25	108,735	84,437
Loan receivables	26	8,709	30,672
Structured short-term bank deposits	27	–	104,884
Restricted bank balance	28	11,072	10,799
Bank balances and cash	28	168,822	54,210
		334,337	318,779
Current liabilities			
Trade and other payables	29	40,925	48,667
Contract liabilities	30	18,288	17,671
Bank borrowings	31	32,329	43,305
Current tax liabilities		868	2,410
Lease liabilities	32	5,920	6,180
Amount due to a related party	40	5,215	5,263
		103,545	123,496
Net current assets		230,792	195,283
Total assets less current liabilities		476,258	394,056

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Non-current liabilities			
Bank borrowings	31	55,514	56,007
Deferred tax liabilities	33	1,532	2,449
Deferred revenue		1,971	260
Lease liabilities	32	3,994	9,695
		63,011	68,411
Net assets		413,247	325,645
Capital and reserves			
Share capital	34	59,712	59,712
Reserves		353,535	265,933
Total equity		413,247	325,645

The consolidated financial statements on pages 86 to 176 were approved and authorised for issue by the Board of Directors on 27 March 2026 and are signed on its behalf by:

Mr. Chen Da Wei
Director

Mr. Kingsley Leung
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital HK'000	Share premium HK'000 (note a)	Treasury shares HK'000 (note 34)	Share-based payment reserve HK'000	FVTOCI reserve HK'000 (note c)	Distributable reserve HK'000 (note a)	Exchange reserve HK'000 (note b)	Accumulated losses HK'000	Total equity HK'000
As at 1 January 2024	63,648	751,756	(5,167)	41,015	–	1,291,798	34,405	(1,920,281)	257,174
Other comprehensive income									
— Exchange difference on translation of financial statements of PRC subsidiaries	–	–	–	–	–	–	10,347	–	10,347
Profit for the year	–	–	–	–	–	–	–	82,774	82,774
Total comprehensive income for the year	–	–	–	–	–	–	10,347	82,774	93,121
Repurchase and cancellation of shares (note 34)	(3,936)	(26,064)	5,167	–	–	–	–	–	(24,833)
Transfer from share-based payment reserve to accumulated losses	–	–	–	(1,188)	–	–	–	1,188	–
Recognition of equity-settled share-based payment expenses (note 38)	–	–	–	183	–	–	–	–	183
At 31 December 2024	59,712	725,692	–	40,010	–	1,291,798	44,752	(1,836,319)	325,645
Other comprehensive income/ (expense)									
— Exchange difference on translation of financial statements of PRC subsidiaries	–	–	–	–	–	–	9,872	–	9,872
— Fair value changes on equity instrument measured at fair value through other comprehensive income	–	–	–	–	(68)	–	–	–	(68)
Profit for the year	–	–	–	–	–	–	–	93,327	93,327
Total comprehensive income for the year	–	–	–	–	(68)	–	9,872	93,327	103,131
Dividend recognised as distribution	–	(16,540)	–	–	–	–	–	–	(16,540)
Transfer from share-based payment reserve to accumulated losses	–	–	–	(13,987)	–	–	–	13,987	–
Recognition of equity-settled share-based payment expenses (note 38)	–	–	–	1,011	–	–	–	–	1,011
As at 31 December 2025	59,712	709,152	–	27,034	(68)	1,291,798	54,624	(1,729,005)	413,247

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Note a: The distributable reserve is a credit arising from Capital Reorganisation effected by the Company during the year ended 31 March 2010. Under the Company Law (revised) of the Cayman Islands, share premium is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital accounts.

Note b: Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currency to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange reserve. Such exchange differences accumulated in the exchange reserve are reclassified to profit or loss on the disposal of the foreign operations.

Note c: It represents cumulative net change in the fair value of equity investment designated at FVOCI under HKFRS 9 that are held at the end of each reporting period.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before income tax expense	101,521	91,170
Adjustments for:		
Amortisation of intangible assets	4,369	4,383
Depreciation of right-of-use assets	6,433	4,909
Depreciation of property, plant and equipment	10,714	12,058
Equity-settled share-based payments expenses	1,011	183
Gain on change in fair value of structured short-term bank deposits	(351)	(132)
Gain on change in fair value of convertible promissory note	(108)	(18)
Interest income	(3,058)	(3,351)
Finance costs	1,506	1,189
Loss on disposal of property, plant and equipment	76	567
Provision for impairment loss recognised on trade receivables, net	1,216	4,260
Provision for impairment loss (reversed)/recognised on other receivables, net	(240)	969
Provision for impairment loss (reversed)/recognised on loan receivables, net	(2,343)	3,518
Share of (gain)/loss of a jointly controlled entity	(274)	1
Impairment losses on investment in jointly controlled entity	2,986	–
Write-down of inventory	1,351	5,153
Write-off of trade receivables	–	1,216
Write-off of other receivables	–	576
Operating profit before working capital changes	124,809	126,651
Increase in inventories	(3,688)	(3,289)
Increase in deferred income	1,711	260
Increase in trade and other receivables	(22,954)	(27,006)
Decrease in trade and other payables	(2,938)	(16,391)
Increase/(decrease) in contract liabilities	168	(7,057)
Cash generated from operations	97,108	73,168
Income tax paid	(8,318)	(6,460)
NET CASH FROM OPERATING ACTIVITIES	88,790	66,708

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NET CASH FROM OPERATING ACTIVITIES		88,790	66,708
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(50,276)	(37,630)
Proceeds from disposal of property, plant and equipment		235	139
Purchase of a convertible promissory note		–	(391)
Purchase of structured short-term bank deposits		–	(104,752)
Proceeds from disposal of structured short-term bank deposits		105,235	
Deposits paid for the acquisition of property, plant and equipment		(1,951)	(367)
Interest received		3,058	3,351
Capital injection into a jointly controlled entity		–	(10,000)
Purchase of preferred stocks		(1,131)	–
Repayment from loan receivables		13,112	3,289
Advances to third parties		–	(15,348)
Advances to connected parties		–	(6,358)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		68,282	(168,067)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings	42	41,854	70,404
Cash advance from a related party	42	4,773	5,133
Repayment to a related party	42	(3,634)	(3,283)
Repayment to a connected party	42	–	(3,432)
Repayment of lease liabilities	42	(6,217)	(4,048)
Repayment of bank borrowings	42	(52,914)	(10,963)
Share repurchases	34	–	(24,833)
Interest paid		(1,506)	(1,189)
Increase in restricted bank balance	28	–	(10,963)
Dividend paid		(16,540)	–
NET CASH (USED IN)/FROM FINANCING ACTIVITIES		(34,184)	16,826
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		122,888	(84,533)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		54,210	129,236
NET EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(8,276)	9,507
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash		168,822	54,210

Notes to the Consolidated Financial Statements

31 December 2025

1. GENERAL INFORMATION

Uni-Bio Science Group Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The address of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company is Hong Kong dollars (“**HK\$**”) and the functional currency of the PRC subsidiaries is Renminbi (“**RMB**”). The consolidated financial statements are presented in HK\$ for the convenience of the financial statement users as the Company is listed in Hong Kong.

The Company acts as investment holding company and the principal activities of its subsidiaries are set out in note 41.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new or amendments to HKFRSs — effective 1 January 2025

Amendments to HKAS 21

Lack of exchangeability

None of these new or amendments to HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amendments to HKFRSs that is not yet effective for the current accounting period.

Notes to the Consolidated Financial Statements

31 December 2025

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS (“HKFRSs”) (CONTINUED)

(b) New or amendments to HKFRSs that have been issued but are not yet effective

The following new or amendments to HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards — Volume 11 ¹
Amendments to HK Interpretation 5	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause ²
HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective date to be determined.

Further details about those HKFRSs that are not yet effective and are expected to be applicable to the Group are as follows:

Amendments to HKFRS 9 and HKFRS 7

The Amendments to HKFRS 9 and HKFRS 7 clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities, with an exception for derecognition of financial liabilities settled via an electronic transfer, the requirements for assessing contractual cash flow characteristics of financial assets, with additional guidance on assessment of contingent features, characteristics of non-recourse loans and contractually linked instruments. The Amendments also introduce additional disclosure requirements for equity instruments classified as FVOCI and for financial instruments with contingent features.

HKFRS 18

HKFRS 18 will have a significant effect on how entities present their financial statements with emphasis on reporting of financial performance. The areas that will be significantly affected include categorisation and subtotals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Group is currently analysing the new requirements and assessing the impact of the amendments towards the Group’s financial statements.

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations (hereinafter collectively referred to as the “**HKFRS**”) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**the Listing Rules**”).

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial and non-financial instruments, which are measured at fair values as explained in the accounting policies set out below.

4. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee when it has power over the investee, is exposed or has rights to variable returns from the investee, and has the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control ceases.

(b) Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods, or for administrative purposes, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

Notes to the Consolidated Financial Statements

31 December 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(b) Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates per annum are as follows:

Buildings	5%, or over the term of lease if shorter
Plant and machinery	6.6%–20%
Fixtures and equipment	10%–20%
Buildings improvements	5%–18%
Motor vehicles	15%–20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Construction in progress represents properties under construction and is stated at cost less accumulated impairment losses. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time as the assets are completed and are ready for operational use.

(c) Leasing

The Group as a lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities, except for (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low value. The lease payments associated with those leases have been expensed on a straight-line basis over the lease term.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Leasing (Continued)

The Group as a lessee (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use (see note 4(b)), they are carried at revalued amount.

The Group accounts for leasehold land and buildings which are held for own use under HKAS 16 and are carried at cost model. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of assets apart from the leasehold land and buildings which are held for own use. As a result, the right-of-use assets arising from the properties under tenancy agreements are carried at depreciated cost.

Notes to the Consolidated Financial Statements

31 December 2025

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(c) Leasing (Continued)

The Group as a lessee (Continued)

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Subsequent to the commencement date, the Group measures the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payments.

(d) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

(e) Intangible assets

(i) Intangible assets acquired separately

Intangible assets acquired separately are initially recognised at cost. Subsequently, intangible assets with indefinite useful lives are carried at cost less any accumulated impairment losses. Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in research and development expenses. Amortisation is provided on a straight-line basis over their useful lives as follows:

Trademarks and certificates	10 to 15 years
Technical know-how	10 years
Capitalised development costs	10 years

The useful lives and amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(e) Intangible assets (Continued)

(ii) *Internal generated intangible assets (research and development expenditures)*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount of property, plant and equipment, right-of-use assets and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, the Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, corporate assets are also allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

Before the Group recognises an impairment loss for assets capitalised as contract costs under HKFRS 15, the Group assesses and recognises any impairment loss on other assets related to the relevant contracts in accordance with applicable standards. Then, impairment loss, if any, for assets capitalised as contract costs is recognised to the extent the carrying amounts exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services that have not been recognised as expenses. The assets capitalised as contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior reporting periods. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Investment in associates and jointly controlled entities

An associate is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A jointly controlled entity is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the jointly controlled entity. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and jointly controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment loss.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and jointly controlled entities is included in the consolidated statement of profit or loss and consolidated statement of comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or jointly controlled entity, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or jointly controlled entities are eliminated to the extent of the Group's investments in the associates or jointly controlled entities, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or jointly controlled entities is included as part of the Group's investments in associates or jointly controlled entities.

If an investment in an associate becomes an investment in a jointly controlled entity or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the jointly controlled entity, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or jointly controlled entity upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(i) Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired. Interest income is recognised in profit or loss and is included in the "other revenue" line item.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Fair value through other comprehensive income ("FVTOCI")

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

Impairment of financial assets

The Group performs impairment assessment under expected credit loss ("ECL") model on financial assets (including trade receivables, loan receivables, other receivables and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Assessment is done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivable are estimated individually for debtors with significant balances or credit-impaired, and/or collectively using a provision matrix with appropriate groupings.

For all other instruments, the Group measures the loss allowance equal to 12 month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

When there is a breach of financial covenants by the counterparty; or information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables are assessed as a separate group);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (Continued)

(i) Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise short-term bank deposits, bank balances and cash are subject to an insignificant risk of changes in value, and have a short maturity of generally within one year when acquired, which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statements of financial position, cash and cash equivalents comprise short-term bank deposits, bank balances and cash which are not restricted as to use.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income/a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(k) Equity-settled share-based payment transactions

Shares/share options granted to employees/directors

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the shares/share options at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve).

At the end of each reporting period, the Group revises its estimate of the number of shares/share options that are expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share-based payments reserve. For shares/share options that vest immediately at the date of grant, the fair value of the shares/share options granted is expensed immediately to profit or loss.

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share capital and share premium.

Share options granted to consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the services received at the date the counterparty renders the service, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service. The fair values of the services received are recognised as expenses (unless the services qualify for recognition as assets).

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(I) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or services.

(i) *Production and sales of chemical and biological pharmaceutical products*

The Group is principally engaged in manufacturing and selling of chemical and biological pharmaceutical products. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a product to a customer.

Customers obtain control of pharmaceutical products when title passes and the goods have been delivered to a contractually agreed location. Invoices are generated and revenue is recognised at that point in time.

(ii) *Other revenue*

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Service income is recognised over time as those services are rendered.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for goods that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 4(h)(i) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(n) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the year in which they are incurred.

(p) Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit (loss) before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(p) Income taxes (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

In assessing any uncertainty over income tax treatments, the Group considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be used by individual group entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “**functional currency**”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income, in which case, the exchange differences are also recognised in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

(r) Employee benefits

(i) *Short term employee benefits*

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absence such as sick leave and maternity leave are not recognised until the time of leave.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Employee benefits (Continued)

(ii) *Defined contribution retirement plan*

Retirement benefits to employees are provided through defined contribution plan. The Group operates a defined contribution retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance, for all its employees who are eligible to participate in the MPF Scheme. The MPF Scheme is administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000. The Group has no further payment obligations once the contributions have been paid. Contributions to the MPF Scheme are recognised as an expense in profit of loss when the services are rendered by the employees.

(iii) *Social pension plans*

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organized by the relevant municipal and provincial governments in the PRC under which the Group and the employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries, subject to certain ceiling. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in an independent fund managed by the PRC government. The Group’s contributions to these plans are expensed as incurred.

If the employees leave the plans prior to vesting fully in such contributions, the Group has no right to utilise such forfeited contributions under the post-employment benefit plan to reduce the existing level of contributions.

(iv) *Housing fund and other social insurances*

The Group has participated in defined social security contribution schemes for its employees pursuant to the relevant laws and regulations of the PRC. These include housing fund, basic medical insurance, unemployment insurance, injury insurance and maternity insurance. The Group makes monthly contributions to the housing fund and other social insurances. The contributions are charged to profit or loss on an accrual basis. The Group’s liability in respect of these funds is limited to the contributions payable at the end of each reporting period.

4. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
 - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of intangible assets and property, plant and equipment related to pipeline pharmaceutical products

Intangible assets with indefinite useful lives are tested for impairment at least annually or more frequently where an indication of impairment exists. The Group also reviews the carrying amounts of property, plant and equipment and intangible assets with finite useful lives and any changes in development plans for pipeline pharmaceutical products to determine whether there is any indicator that those assets have suffered an impairment loss.

Determining whether these intangible assets and property, plant and equipment are impaired requires an estimation of the recoverable amount which is higher of the fair value less costs of disposal, or value in use of the cash generating units ("CGUs") to which the intangible assets and property, plant and equipment have been allocated.

The value in use calculation relies on the management's assumptions and estimates of future operating performance of these drugs. Significant judgment is involved in determining the key data and assumptions applied by the management in the impairment review, which include discount rates, expected revenue growth rate, estimated gross profit margin; and expected launch dates of these new drugs.

For the year ended 31 December 2025, the carrying amounts of the intangible assets and property, plant and equipment related to pipeline pharmaceutical products are HK\$5,243,000 (2024: Nil) and HK\$3,348,000 (2024: Nil), respectively. During the years ended 31 December 2025, no impairment loss on intangible assets and property plant and equipment was recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Amortisation of intangible assets

Intangible assets are amortised over their useful lives. The assessment of estimated useful lives is a matter of judgment based on the experience of the Group's management, taking into account factors such as the ability to legally renew the technical know-how, technological progress and changes in market demand. Useful lives are periodically reviewed for continued appropriateness. Due to long lives of assets, changes to the estimates used can result in variations in their carrying value in the period in which the changes take place. As of 31 December 2025, the carrying amount of intangible assets with definite useful life is HK\$32,953,000 (31 December 2024: HK\$36,460,000), and amortisation of the intangible assets of HK\$4,369,000 (31 December 2024: HK\$4,383,000) was recognised for the year ended 31 December 2025.

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables based on the grouping of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates and taking into consideration forward-looking information that is reasonable and supportable that is available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The economic downturn and uncertainties have made these estimates more judgemental, which the Group has taken into account in its determination of applicable ECLs attributable to trade receivable arising from sales to customers on credit term, including the incorporation of forward-looking information to supplement historical credit loss rate. Further information on the impairment assessment on trade receivables is provided in note 37(b).

Provision of ECL for loan and other receivables

The Group recognises lifetime ECL and 12-month ECL basis for loan and other receivables based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

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6. REVENUE AND SEGMENT INFORMATION

Revenue arising from sale of chemical and biological pharmaceutical products is recognised at point in time when control of the goods has been transferred and the goods have been delivered to the customers' specific locations. Following delivery, the customers bear the risks of obsolescence and loss in relation to the goods without refund policy. The normal credit term is 90 days (2024: 90 days) upon delivery.

Advance and deposits received from the customers are recognised as contract liabilities until the goods have been delivered to the customers.

The sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Information reported to the board of directors of the Company, being the chief operating decision maker ("**CODM**"), for the purpose of allocating resources to segments and assessing their performance are organised on the basis of the revenue streams. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

The Group's operating and reportable segments are analysed as follows:

- | | |
|--|--|
| (a) Chemical pharmaceutical products | — manufacture and sale of chemical pharmaceutical products |
| (b) Biological pharmaceutical products | — manufacture and sale of biological pharmaceutical products |
| (c) Pipeline products | — industrialisation of pipeline pharmaceutical products |

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment.

For the year ended 31 December 2025

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Consolidated HK\$'000
Segment revenue				
External sales	199,758	386,453	–	586,211
Result				
Segment profit	91,161	39,657	(18,361)	112,457
Other revenue				10,336
Change in fair value of financial assets at FVTPL				459
Unallocated administrative expenses				(16,502)
Finance costs				(1,506)
Equity-settled share based payment expenses				(1,011)
Impairment loss on interest in a jointly controlled entity				(2,986)
Share of profit of a jointly controlled entity				274
Profit before income tax expense				101,521

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6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(a) Segment revenues and results (Continued)

For the year ended 31 December 2024

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Consolidated HK\$'000
Segment revenue				
External sales	249,617	303,363	–	552,980
Result				
Segment profit	62,546	34,944	–	97,490
Other revenue				8,885
Change in fair value of financial assets at FVTPL				150
Unallocated administrative expenses				(13,982)
Finance costs				(1,189)
Equity-settled share based payment expenses				(183)
Share of loss of a jointly controlled entity				(1)
Profit before income tax expense				91,170

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 4. Segment result represents the results of each segment before allocation of other revenue, change in fair value of financial assets at FVTPL, equity-settled share-based payment expenses, unallocated administrative expenses, impairment loss on a jointly controlled entity and share of loss of a jointly controlled entity and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than investment properties, certain bank balances and cash and some unallocated corporate assets. Assets used jointly by operating segments are allocated on the basis of the revenues earned by individual operating segments; and
- all liabilities are allocated to operating segments other than current tax liabilities, deferred tax liability and some unallocated corporate liabilities. Liabilities for which operating segments are jointly liable are allocated in proportion to segment assets.

As at 31 December 2025

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Consolidated HK\$'000
Segment assets	140,201	79,392	8,591	228,184
Unallocated assets				351,619
Total assets				579,803
Segment liabilities	12,824	77,102	–	89,926
Unallocated liabilities				76,630
Total liabilities				166,556

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6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(b) Segment assets and liabilities (Continued)

As at 31 December 2024

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Consolidated HK\$'000
Segment assets	184,349	91,372	–	275,721
Unallocated assets				241,831
Total assets				517,552
Segment liabilities	49,699	71,617	–	121,316
Unallocated liabilities				70,591
Total liabilities				191,907

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Other segment information

For the year ended 31 December 2025

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets					
Additions to property, plant and equipment	4,296	1,298	-	47,017	52,611
Additions to intangible assets	5,175	-	-	-	5,175
Amortisation of intangible assets	809	3,560	-	-	4,369
Depreciation of right-of-use assets	279	4,345	-	1,809	6,433
Depreciation of property, plant and equipment	7,475	1,758	-	1,481	10,714
Impairment loss on a jointly controlled entity	-	-	-	2,986	2,986
Loss on disposal of property, plant and equipment	70	6	-	-	76
Research and development expenses	5,430	15,978	18,361	-	39,769
Provision for impairment loss recognised on trade receivables	1,019	197	-	-	1,216
Provision for impairment loss recognised on other receivables	(126)	(114)	-	-	(240)
Provision for impairment loss recognised on loan receivables	(2,343)	-	-	-	(2,343)
Write-off of inventories	1,351	-	-	-	1,351
Gain on change in fair value of structured short-term bank deposits	(128)	(223)	-	-	(351)
Gain on change in fair value of convertible promissory note	-	-	-	(108)	(108)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets					
Interest on bank deposits	(952)	(91)	-	(705)	(1,748)
Interest on loan receivables	(1,173)	-	-	-	(1,173)
Interest on structured short-term bank deposits	-	(137)	-	-	(137)

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6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(c) Other segment information (Continued)

For the year ended 31 December 2024

	Chemical pharmaceutical products HK\$'000	Biological pharmaceutical products HK\$'000	Pipeline products HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment profit or loss or segment assets					
Additions to property, plant and equipment	7,017	1,360	–	38,372	46,749
Additions to intangible assets	–	2,413	–	–	2,413
Amortisation of intangible assets	812	3,571	–	–	4,383
Depreciation of right-of-use assets	280	2,822	–	1,807	4,909
Depreciation of property, plant and equipment	8,464	2,977	–	437	12,058
Loss on disposal of property, plant and equipment	556	11	–	–	567
Research and development expenses	34,315	17,966	–	–	52,281
Provision for impairment loss recognised on trade receivables	2,620	1,640	–	–	4,260
Provision for impairment loss recognised on other receivables	429	540	–	–	969
Provision for impairment loss recognised on loan receivables	3,518	–	–	–	3,518
Write-down of inventories	5,153	–	–	–	5,153
Write-off of trade receivables	–	1,216	–	–	1,216
Write-off of other receivables	–	576	–	–	576
Gain on change in fair value of structured short-term bank deposits	(94)	(38)	–	–	(132)
Gain on change in fair value of convertible promissory note	–	–	–	(18)	(18)
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets					
Interest on bank deposits	(574)	(347)	–	(210)	(1,131)
Interest on loan receivables	(800)	–	–	–	(800)
Interest on structured short-term bank deposits	(857)	(563)	–	–	(1,420)

6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(d) Geographical information

Information about the Group's sales to external customers presented based on the locations of customers, and information about the Group's non-current assets presented based on the geographical location of the non-current assets are summarised below.

	Sales to external customers		Non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	–	–	2,801	4,267
The People's Republic of China ("PRC")	586,211	552,980	242,665	194,506
	586,211	552,980	245,466	198,773

(e) Revenue from the Group's products and services

The following is an analysis of the Group's revenue from external customers by products or services:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of chemical pharmaceutical products	199,758	249,617
Sales of biological pharmaceutical products	386,453	303,363
	586,211	552,980
Timing of revenue recognition:		
At a point in time	586,211	552,980
Transferred over time	–	–
	586,211	552,980

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6. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(e) Revenue from the Group's products and services (Continued)

Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue for the years ended 31 December 2025 and 2024 is as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	130,390	59,072
Customer B*	92,384	N/A

* Revenue from Customer B, amounted to less than 10% of the total revenue of the Group for the year ended 31 December 2024.

7. OTHER REVENUE

	2025 HK\$'000	2024 HK\$'000
Interest on bank deposits	1,748	1,131
Interest on loan receivables	1,173	800
Interest on structured short-term bank deposits	137	1,420
Government grants (Note i)	4,372	2,253
Service income (Note ii)	946	3,104
Consultancy fee income	1,960	–
Sundry income	–	177
	10,336	8,885

Note i: Government grants mainly represent grants received from the PRC local government authorities as subsidies to the Group for research and development expenditures already incurred and the conditions have been fulfilled upon the grant.

Note ii: Service income mainly represented the subcontracting income generated from the provision of manufacturing works to the customers.

8. OTHER GAINS AND LOSSES, NET

	2025 HK\$'000	2024 HK\$'000
Provision for impairment loss recognised on trade receivables	(1,216)	(4,260)
Provision for impairment loss reversed/(recognised) on other receivables	240	(969)
Provision for impairment loss reversed/(recognised) on loan receivables	2,343	(3,518)
Write-off of trade receivables	–	(1,216)
Write-off of other receivables	–	(576)
Impairment loss on a jointly controlled entity	(2,986)	–
Loss on disposal of property, plant and equipment	(76)	(567)
Changes in fair value of structured short-term bank deposits	351	132
Changes in fair value of convertible promissory note	108	18
Donations	–	(1,841)
Others	(671)	(92)
	(1,907)	(12,889)

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on bank borrowings	986	716
Interest expenses on lease liabilities	520	473
	1,506	1,189

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10. PROFIT BEFORE TAXATION

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging/(crediting):		
Staff costs (including directors' emoluments) (note 14)		
Salaries, wages and other benefit	114,862	96,207
Discretionary bonuses	3,452	12,029
Retirement benefit scheme contribution	25,185	21,236
Equity-settled share-based payments	1,011	183
	144,510	129,655
Amortisation of intangible assets	4,369	4,383
Depreciation of property, plant and equipment	10,714	12,058
Depreciation of right-of-use assets	6,433	4,909
Less: Amortisation and depreciation included in research and development expenses	(2,425)	(2,410)
	19,091	18,940
Auditor's remuneration	1,876	1,761
Cost of inventories recognised as an expense	96,672	91,912
Research and development expenses	44,944	54,694
Less: Capitalisation on intangible assets (note 18)	(5,175)	(2,413)
	39,769	52,281

11. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
PRC Enterprise Income Tax ("EIT")		
— Current year	8,410	5,147
— Over provision in prior years	(2,782)	(1,192)
Withholding tax on unremitted earnings	5,628 1,896	3,955 2,741
Deferred tax (note 33):		
— Current year	670	1,700
	8,194	8,396

The Company is tax exempt under the laws of the Cayman Islands.

No provision for Hong Kong profits tax has been made since the entities operating in Hong Kong had no assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Beijing Genetech Pharmaceutical Co., Limited and Shenzhen Watsin Genetech Limited, wholly owned subsidiaries of the Company, were approved as High and New Technology Enterprise and were eligible to enjoy a preferential enterprise income tax rate of 15% (2024: 15%) for both years with the expiration date of 27 October 2028 and 15 November 2026, respectively.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

During the year ended 31 December 2024, the Company and its subsidiaries obtained the Certificate of Resident Status of the Hong Kong Special Administrative Region and have satisfied the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on income" and therefore have adopted the withholding tax rate at 5% for PRC withholding tax purposes for the calendar year 2024 and the two succeeding calendar years.

The withholding tax is levied on dividends distributed from a wholly-owned PRC subsidiary, Shenzhen Watsin Genetech Limited to a wholly-owned overseas subsidiary, Zethanel Properties Limited and there was an amount of approximately HK\$1,896,000 withholding tax included in the EIT of current year (2024: HK\$2,741,000).

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11. INCOME TAX EXPENSE (CONTINUED)

As at 31 December 2025, temporary withholding tax differences relating to the undistributed profits of the PRC subsidiary amounted to approximately HK\$86,061,000 (2024: HK\$45,724,000). Deferred tax have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company is in a position to control the dividend policy of the PRC subsidiary and it has been determined that it is probable that undistributed profits of the PRC subsidiary will not be distributed in the foreseeable future.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Business (Announcement of MOF and SAT [2023] No.6) (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》(財政部稅務總局公告2023年第6號)), a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income does not exceed RMB1 million, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The implementation period is from 1 January 2023 to 31 December 2024.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Further Implementing the Preferential Income Tax Policies for Small and Micro Enterprises (Announcement of MOF and SAT [2022] No. 13) (《財政部稅務總局關於進一步實施小微企業所得稅優惠政策的公告》(財政部稅務總局公告2022年第13號)), a subsidiary in the PRC qualifying as Small and Micro Enterprises whose annual taxable income exceeds RMB1 million but does not exceed RMB3 million, 25% shall be included in the taxable income, and the enterprise income tax shall be paid at the tax rate of 20%. The implementation period is from 1 January 2023 to 31 December 2024.

According to the Announcement of the Ministry of Finance and the State Administration of Taxation on Tax and Fee Policies for Further Supporting the Development of Small and Micro Enterprises and Individual Businesses (《財政部稅務總局關於進一步支持小微企業和個體工商戶發展有關稅費政策的公告》) (Announcement No. 12 [2023] of the MOF and the SAT), small low-profit enterprises shall be subject to a 20% corporate income tax rate on 25% of the taxable income amount, and this policy is extended till 31 December 2027.

The income tax expense for the year can be reconciled to the profit before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax expense	101,521	91,170
Tax at the enterprise income tax rate of 25% (2024: 25%)	25,380	22,792
Tax effect of non-taxable income	(2,813)	(2,310)
Tax effect of non-deductible expenses	121	923
Tax effect of deductible temporary difference not recognised	797	736
Tax effect of tax losses not recognised	2,684	2,151
Effect of tax exemptions granted to the subsidiaries in the PRC	(19,828)	(18,091)
Utilisation of deductible temporary difference not recognised	-	(981)
Over provision in prior years	(2,782)	(1,192)
Withholding tax on unremitted earnings of the Company's subsidiary established in the PRC	1,896	2,741
Effect of different tax rates of group entities	2,739	1,627
Income tax expense for the year	8,194	8,396

12. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

Profit	2025 HK\$'000	2024 HK\$'000
Profit for the year attributable to owners of the Company for the purpose of basic and diluted earnings per share	93,327	82,774
Number of shares	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic earnings per share	5,971,228	6,140,106
Dilutive effect of potential ordinary shares: Share options	–	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	5,971,228	6,140,106
Basic earnings per share for profit attributable to equity owners of the Company during the year (expressed in HK cents per share)	1.56	1.35

The computation of diluted earnings per share for the years ended 31 December 2025 and 2024 does not assume the exercise of the Company's outstanding share options because the adjusted exercise prices of those options calculated in accordance with HKAS 33 "Earnings Per Share" are higher than the average market price of the shares. Therefore, diluted earnings per share amount is the same as basic earnings per share amount.

13. DIVIDEND

The final dividend of HK cents 0.313 (2024: HK cents 0.277) in respect of the year ended 31 December 2025 per share, amounting to approximately HK\$18,689,944 (2024: HK\$16,540,302) in total, has been recommended by the board of directors of the Company and is subject to the approval of the shareholders at the forthcoming annual general meeting of the Company.

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14. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS

(a) Directors' remuneration

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2025

	Kingsley Leung HK'000	Chen Dawei HK'000	Zhao Zhi Gang HK'000	Wen Yalei (Note i) HK'000	Total HK\$'000
Executive Directors					
Fee	–	–	–	–	–
Other emoluments					
Salaries, allowance and benefits in kind	1,390	360	1,014	1,075	3,839
Discretionary bonuses	1,616	–	500	418	2,534
Retirement benefit scheme contribution	156	18	–	228	402
	3,162	378	1,514	1,721	6,775

The executive directors' emoluments shown above were mainly for their services in connection with the management of the business and operations of the Company and the Group.

	Chow Kai Ming HK'000	Ren Qimin HK'000	Ma Qingshan HK'000	Total HK\$'000
Independent Non-executive Directors				
Fee	120	120	120	360
Other emoluments				
Salaries, allowance and benefits in kind	–	–	–	–
Discretionary bonuses	–	–	–	–
	120	120	120	360

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

14. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (CONTINUED)

(a) Directors' remuneration (Continued)

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows: (Continued)

	Yau Kwok Wing Tony HK'000	Zhang Qing (note ii) HK'000	Total HK'000
Non-executive Director			
Fee	120	180	300
Other emoluments			
Salaries, allowance and benefits in kind	–	–	–
Discretionary bonuses	–	–	–
Equity-settled share-based payment	–	1,011	1,011
	120	1,191	1,311

The non-executive director's emoluments shown above were mainly for services as director of the Company.

For the year ended 31 December 2024

	Kingsley Leung HK'000	Chen Dawei HK'000	Zhao Zhi Gang HK'000	Wen Yalei (Note i) HK'000	Total HK\$'000
Executive Directors					
Fee	–	–	–	–	–
Other emoluments					
Salaries, allowance and benefits in kind	1,271	360	606	503	2,740
Discretionary bonuses	700	–	509	420	1,629
Retirement benefit scheme contribution	138	18	54	228	438
	2,109	378	1,169	1,151	4,807

The executive directors' emoluments shown above were mainly for their services in connection with the management of the business and operations of the Company and the Group.

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14. DIRECTORS' AND SENIOR MANagements' EMOLUMENTS (CONTINUED)

(a) Directors' remuneration (Continued)

Directors' remuneration for the year, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows: (Continued)

	Chow Kai Ming HK'000	Ren Qimin HK'000	Ma Qingshan HK'000	Total HK\$'000
Independent Non-executive Directors				
Fee	120	120	120	360
Other emoluments				
Salaries, allowance and benefits in kind	–	–	–	–
Equity-settled share-based payments	–	–	–	–
	120	120	120	360

The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

	Yau Kwok Wing Tony HK'000	Zhang Qing (note ii) HK'000	Total HK'000
Non-executive Director			
Fee	120	30	150
Other emoluments			
Salaries, allowance and benefits in kind	–	–	–
Discretionary bonuses	–	–	–
Equity-settled share-based payment	–	183	183
	120	213	333

The non-executive director's emoluments shown above were mainly for services as director of the Company.

Note:

- (i) Dr. Wen Yalei was appointed as executive director on 17 December 2024.
- (i) Ms. Zhang Qing was appointed as non-executive director on 1 November 2024.

14. DIRECTORS' AND SENIOR MANAGERMENTS' EMOLUMENTS (CONTINUED)

(b) Five highest paid employees

Of the five individuals with highest emoluments in the Group, three (2024: two) were directors of the Company. The emoluments of the remaining two (2024: three) highest paid individuals were as follows:

	2025 HK'000	2024 HK'000
Salaries and other benefits	1,576	2,184
Discretionary bonuses	1,036	1,308
Retirement benefit scheme contributions	556	574
	3,168	4,066

The number of the highest paid employees who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025 No. of employees	2024 No. of employees
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	1	3
HK\$1,500,001 to HK\$2,000,000	1	–
	2	3

- (c) No emoluments have been paid by the Group to the directors of the Company or the five highest paid individuals as an inducement to join or upon joining the Company, or as compensation for loss of office for both years.

15. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Company's PRC subsidiaries are members of a state-managed retirement benefit scheme operated by the China government. The subsidiaries are required to contribute based on a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

The total expense recognised in profit or loss of HK\$25,185,000 (2024: HK\$21,236,000) represents contributions payable to these plans by the Group for staff (including directors and senior management) at rates specified under the rules of the plans.

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16. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Plant and machinery HK\$'000	Fixtures and equipment HK\$'000	Buildings improvements HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
Cost							
At 1 January 2024	33,362	66,630	50,314	54,590	1,600	54,557	261,053
Currency realignment	(646)	(4,586)	(532)	(747)	(43)	274	(6,280)
Additions	–	7,348	2,516	115	838	35,932	46,749
Transfer	–	49,654	–	–	–	(49,654)	–
Disposals/written-off	–	(12,289)	(188)	–	(287)	–	(12,764)
At 31 December 2024	32,716	106,757	52,110	53,958	2,108	41,109	288,758
Currency realignment	746	4,070	639	973	54	1,320	7,802
Additions	–	4,394	1,029	1,141	–	46,047	52,611
Transfer	–	17,719	–	7,135	–	(24,854)	–
Disposals/written-off	–	(1,175)	(506)	–	–	–	(1,681)
At 31 December 2025	33,462	131,765	53,272	63,207	2,162	63,622	347,490
Accumulated depreciation and impairment							
At 1 January 2024	22,828	63,436	43,307	42,827	1,408	–	173,806
Currency realignment	(515)	(1,563)	(374)	(469)	(28)	–	(2,949)
Provided for the year	1,199	5,014	1,700	3,999	146	–	12,058
Eliminated on disposals/written-off	–	(11,604)	(99)	–	(272)	–	(11,975)
At 31 December 2024	23,512	55,283	44,534	46,357	1,254	–	170,940
Currency realignment	619	1,806	462	605	33	–	3,525
Provided for the year	1,088	5,271	1,646	2,560	149	–	10,714
Eliminated on disposals/written-off	–	(896)	(383)	–	–	–	(1,279)
At 31 December 2025	25,219	61,464	46,259	49,522	1,436	–	183,900
Carrying amounts							
At 31 December 2025	8,243	70,301	7,013	13,685	726	63,622	163,590
At 31 December 2024	9,204	51,474	7,576	7,601	854	41,109	117,818

- (a) The above items of property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis, less their estimated residual value, if any, at the following rates per annum:
- | | |
|------------------------|--|
| Buildings | 5%, or over the term of lease if shorter |
| Plant and machinery | 6.6%–20% |
| Fixtures and equipment | 10%–20% |
| Buildings improvements | 5%–18% |
| Motor vehicles | 15%–20% |
- (b) The directors of the Company conducted impairment review of the Group's property, plant and equipment related to pipeline pharmaceutical products. During the years ended 31 December 2025 and 2024, no impairment loss was recognised. Details of such impairment testing are set out in note 19.
- (c) At 31 December 2025, the Group's buildings with an aggregate carrying amount of approximately HK\$8,243,000 (2024: HK\$9,204,000) were pledged to banking facilities granted to the Group (Note 31).
- (d) At 31 December 2025, no depreciation charge was made on the Group's plant and machinery with a cost amount of approximately HK\$68,063,000 (2024: HK\$49,654,000) as those plant and machinery are not ready for their intended use.

17. RIGHT-OF-USE-ASSETS

	Land use rights HK'000	Leased properties HK'000	Total HK\$'000
At 1 January 2024	6,822	10,012	16,834
Effect of modification to lease terms (note ii)	–	8,965	8,965
Depreciation	(279)	(4,630)	(4,909)
Exchange realignment	(143)	(227)	(370)
At 31 December 2024 and 1 January 2025	6,400	14,120	20,520
Depreciation	(279)	(6,154)	(6,433)
Exchange realignment	159	239	398
At 31 December 2025	6,280	8,205	14,485

Note:

- (i) For both years, the Group leases various offices and factories for its operations. Lease contracts are entered into for fixed terms of one year to eight years (2024: one year to eight years). Lease terms are negotiated on an individual basis. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.
- (ii) During the year ended 31 December 2024, the Group renewed two lease agreements for an office and a factory for one to two years, and therefore recognised the amounts arising from modification to right-of-use assets of HK\$8,965,000 of which HK\$8,719,000 (Note 40) was related to lease agreement renewed with a related party which is also a connected party of the Group.
- (iii) At 31 December 2025, the Group's land use rights with carrying amounts of approximately HK\$6,280,000 (2024: HK\$6,400,000) were pledged to secure banking facilities granted to the Group (Note 31).

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18. INTANGIBLE ASSETS

	Trademarks and certificates HK'000 (Note a)	Technical know-how HK'000 (Note b)	Capitalised development costs HK'000 (Note c)	Totals HK\$'000
COST				
At 1 January 2024	235,849	69,105	166,656	471,610
Additions (note e)	–	–	2,413	2,413
Exchange realignment	(5,043)	(1,477)	(3,611)	(10,131)
At 31 December 2024	230,806	67,628	165,458	463,892
Additions (note e)	–	–	5,175	5,175
Exchange realignment	5,826	1,706	4,246	11,778
At 31 December 2025	236,632	69,334	174,879	480,845
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 January 2024	235,849	66,440	130,070	432,359
Provided for the year	–	378	4,005	4,383
Exchange realignment	(5,043)	(1,426)	(2,841)	(9,310)
At 31 December 2024	230,806	65,392	131,234	427,432
Provided for the year	–	377	3,992	4,369
Exchange realignment	5,826	1,656	3,366	10,848
At 31 December 2025	236,632	67,425	138,592	442,649
CARRYING AMOUNTS				
At 31 December 2025	–	1,909	36,287	38,196
At 31 December 2024	–	2,236	34,224	36,460

18. INTANGIBLE ASSETS (CONTINUED)

Intangible assets are amortised on a straight-line basis over the following periods:

Trademarks and certificates	10 to 15 years
Technology know-how	10 years
Capitalised development costs (Note d)	10 years

Notes:

- (a) Trademarks and certificates represent costs in obtaining trademarks and registration certificates for pharmaceutical products.
- (b) Technical know-how mainly represents techniques and formulas acquired separately for the development of products and production technology.
- (c) Capitalised development costs mainly represent costs generated internally for the development of products and product technology.
- (d) Except for the capitalised development costs of drugs under development, the respective intangible assets (including the capitalised development costs of drugs already completed development) have finite lives and are subsequently amortised over the useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Capitalised development costs of drugs under development are not amortised as the development of products are not yet completed and are assessed for impairment annually.
- (e) During the year ended 31 December 2025, the additions of HK\$5,175,000 (2024: HK\$2,413,000) represented the additional capitalised development costs for Drug 1 (refer to note 19). The capitalised development costs were mainly salaries and laboratory cost of this drug.

19. IMPAIRMENT TESTING ON INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT RELATED TO PIPELINE PHARMACEUTICAL PRODUCTS

For the purpose of impairment testing, intangible assets and property, plant and equipment related to pipeline pharmaceutical products segment set out in notes 16 and 18 have been allocated to one (2024: nil) individual cash generating unit ("CGU"). The carrying amounts of intangible assets (net of accumulated amortisation and impairment losses) and property, plant and equipment (net of accumulated depreciation and impairment losses) related to this CGU are as follows:

	Property, plant and equipment		Intangible assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
CGU				
Drug 1	3,348	–	5,243	–

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19. IMPAIRMENT TESTING ON INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT RELATED TO PIPELINE PHARMACEUTICAL PRODUCTS (CONTINUED)

Drug 1:

During the year ended 31 December 2025, the new drug application for Drug 1 had been officially accepted by the China NMPA in July 2025. The project was developing as scheduled and the Group expected that this drug would be expected to be approved for launch in the second half of 2026. No impairment loss was recognised for the year ended 31 December 2025.

As at 31 December 2025, the basis of the recoverable amounts of the CGU of Drug 1 and their major underlying assumptions were summarised below:

The recoverable amount of this CGU had been determined based on a value in use calculation. That calculation was based on the cash flow forecast derived from the most recent financial budget for the next 10 years, considering the product cycle, launch time and management's best estimation on business cycle of the product, using a pre-tax discount rate of 20.22% for Drug 1 which reflects current market assessments of the time value of money and the risk specific to this CGU. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include estimated revenue growth and gross profit margin. The estimated revenue growth rate ranging from 0% to 26% and gross profit margin ranging from 88% to 89% are adopted which are based on market data and historical records of existing drugs.

The valuation of this CGU had been carried out by an independent valuer.

20. DEPOSITS PAID FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At 31 December 2025, the carrying amount of deposits paid for the acquisition of property, plant and equipment relates to the purchases of property, plant and equipment for the expansion of production facilities was approximately HK\$5,630,000 (2025: HK\$9,444,000).

21. INTEREST IN A JOINTLY CONTROLLED ENTITY

	2025 HK\$'000	2024 HK\$'000
Investment cost in a jointly controlled entity	10,000	10,000
Share of post-acquisition loss and other comprehensive expenses	273	(1)
	10,273	9,999
Impairment loss	(2,986)	–
	7,287	9,999

Details of the Group's interest in a jointly controlled entity, which is an unlisted company, are as follows:

Form of business structure	Place of incorporation	Proportion of ownership interest		Issued and fully paid ordinary share capital		Principal activities and principal place of business
		2025	2024	2025	2024	
Corporation	Hong Kong ("HK")	40%	40%	HK\$ 10,000,006	HK\$ 10,000,006	Biotechnology investment, HK

The above jointly controlled entity is accounted for using the equity method in the consolidated financial statements.

Set out below are the summarised financial information of a jointly controlled entity as at 31 December 2025 and 2024, which are accounted for using the equity method.

	2025 HK\$'000	2024 HK\$'000
Current assets	9,991	9,739
Current liabilities	(2,104)	(2,536)
Net assets	7,887	7,203
Group's share in (%)	40%	40%
Group's share in (amount)	3,155	2,881
Goodwill	7,118	7,118
	10,273	9,999
Impairment loss	(2,986)	–
Carrying amount	7,287	9,999

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21. INTEREST IN A JOINTLY CONTROLLED ENTITY (CONTINUED)

Impairment assessment

The management assesses whether there is any indication that the interest in a jointly controlled entity may be impaired. The recoverable amount of the investment in a jointly controlled entity is determined based on the higher of value in use or fair value less cost of disposal.

The Directors have performed impairment assessment on investment in a jointly controlled entity. The recoverable amount of investment in a jointly controlled entity has been determined based on a value-in-use calculation. That calculation uses cash flow projections based on financial budgets approved by management of a jointly controlled entity covering a 10-year period, and discount rate of 16.76% (2024: 14.56%).

Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and net profit margins.

The budgeted sales is based on sales contracts expected to sign with different customers as at the end of the reporting period, and sales growth rate of 10% to 45% (2024: 10% to 20%) is adopted, which does not exceed the average long-term growth rate for the relevant industry.

The budgeted net profit margins during the projection period are based on the budgeted costs for each year with reference to the historical net profit margin of a jointly controlled entity.

Based on the assessment performed by the management, HK\$2,980,000 (2024:Nil) impairment loss on interest in a jointly controlled entity was recognised for the year ended 31 December 2025.

22. CONVERTIBLE PROMISSORY NOTE

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	409	–
Addition	–	391
Changes in fair value	108	18
Derecognition	(517)	–
	–	409

During the year ended 31 December 2024, a directly wholly-owned subsidiary of the Company, Uni-Bio Science Healthcare Limited ("**UBSH**"), entered into a subscription agreement ("**Agreement A**") with Spiral Therapeutics Inc. ("**Spiral Therapeutics**"), a private company incorporated in the United States of America, to subscribe for an unlisted convertible promissory note (the "**CPN**") issued by Spiral Therapeutics, in the principal amount of United States Dollars ("**US\$**") 50,000 maturing on the 18-month anniversary of the date of issue (the "**Maturity Date**"). The CPN carries interest of 8% per annum ("**p.a.**").

This investment held by the Group contains embedded derivatives. After management's assessment of the Group's business model for managing financial assets and that the management's contractual cash flow test shows those cash flows represent solely payments of principal and interest ("**SPPI**"), the Group recognised these investments as financial assets at fair value through profit or loss. The relevant fair value is determined with reference to valuation carried out by an independent valuer.

During the year ended 31 December 2025, UBSH entered in to a shares purchase agreement with Spiral Therapeutics. Pursuant to the agreement, all outstanding convertible promissory notes held by UBSH were automatically converted into preferred stock of Spiral Therapeutics. As a result of this transaction, UBSH no longer holds any CPN issued by Spiral Therapeutics, and the CPN has been cancelled and extinguished.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000	2024 HK\$'000
At the beginning of the year	–	–
Addition — converted into preferred stocks from CPN	517	–
— acquisition of preferred stocks by cash	1,131	–
Changes in fair value	(68)	–
At the end of the year	1,580	–

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23. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (CONTINUED)

The unlisted equity investment represents 0.97% Series B-1 and 0.76% Series B-3 Preferred Stocks of Spiral Therapeutics, a private company incorporated in the United States of America, which is a clinical stage company delivering therapies for inner ear disorders.

During the year ended 31 December 2025, a directly wholly-owned subsidiary of the Company, UBSH acquired 0.97% Series B-1 Preferred Stocks of Spiral Therapeutics at total consideration of US\$145,000 (equivalent to approximately HK\$1,128,000). Besides, 0.76% Series B-3 Preferred Stock of Spiral Therapeutics were converted from CPN held by UBSH as mentioned in Note 22.

The Group designated its investments in Spiral Therapeutics at financial assets at FVTOCI upon adoption of HKFRS 9, as the investment is held for long term strategic purposes. No dividends were received on this investment during the year ended 31 December 2025.

As at 31 December 2025, the relevant fair value is determined with reference to valuation carried out by an independent valuer. The fair value of the equity investment has been determined by income approach valuation technique using Black-Scholes Option Pricing Model. The key inputs adopted in the Black-Scholes Option Pricing Model as at 31 December 2025 were as follows:

	2024
Risk-free rate	3.48%
Volatility	79.78%

Changes in fair value of the above equity investment is recognised in other comprehensive income and accumulated at FVTOCI reserve within equity. The Group transfers amount from FVTOCI reserve to accumulated losses when the relevant equity investment is derecognised.

24. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	19,007	15,577
Work in progress	5,460	4,189
Finished goods	13,883	19,164
	38,350	38,930
Less: Write-down of inventory	(1,351)	(5,153)
	36,999	33,777

25. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	77,232	62,188
Less: Loss allowance	(8,814)	(7,395)
	68,418	54,793
Bills receivable	22,007	15,449
Deposit, prepayments and other receivables (Note)	18,861	14,981
Less: Loss allowance	(551)	(786)
	18,310	14,195
	108,735	84,437

As at 31 December 2025 and 2024, trade receivables from contracts with customers amounted to HK\$68,418,000 and HK\$54,793,000, respectively.

Note:

As at 31 December 2025, included in other receivables is an amount of HK\$996,000 equivalent to RMB900,000 (2024: HK\$972,000 equivalent to RMB900,000) due from a connected party. The amount is unsecured, non-interest bearing and repayable on demand.

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25. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following is an ageing analysis of trade receivables based on the invoice dates, as at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
0–90 days	64,872	51,349
91–120 days	6,091	4,878
121–180 days	2,673	3,304
181–360 days	845	1,114
Over 360 days	2,751	1,543
	77,232	62,188
Less: Loss allowance	(8,814)	(7,395)
	68,418	54,793

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with satisfactory trustworthy credit history. Credit limits attributed to customers are reviewed regularly.

The Group does not hold any collateral over the trade receivables.

Details of impairment assessment of trade and other receivables are set out in note 37.

Bills receivables represent bills on hand. All bills receivables of the Group are with a maturity period of less than 180 days (2024: less than 180 days) but not yet due at the end of the reporting period. The management considers the default rate of such bills receivable is low based on historical information, past experience and forward-looking information.

26. LOAN RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Loan receivables		
— Connected parties (note (a))	13,996	16,523
— Independent third parties (notes (b), (c))	9,190	18,898
	23,186	35,421
Accrued interest receivables	1,132	967
	24,318	36,388
Less: Loss allowance	(3,486)	(5,716)
	20,832	30,672
Less: Non-current portion	(12,123)	—
	8,709	30,672
Representing:		
— Connected parties	12,123	14,338
— Independent third parties	8,709	16,334
	20,832	30,672

Note:

- (a) On 3 August 2023 and 18 September 2023, the Group entered into a loan agreement and a supplemental loan agreement with a connected party A respectively. The Group has agreed to provide two loan facilities with principal amounts of HK\$2,593,000 (equivalent to RMB2,350,000) ("loan A") and HK\$7,890,000 (equivalent to RMB7,150,000) ("loan B") to A for a term of 24 months from the advance dates and maturing on the final maturity date with any outstanding accrued interest. The loans to A are secured by two invention patents owned by it, interest bearing at 3.65% p.a. and repayable in August 2025 and September 2025 respectively.

On 31 May 2024, the Group entered into another supplemental loan agreement with A. The Group has agreed to provide an additional loan facility with principal amounts of HK\$6,263,000 (equivalent to RMB5,800,000) ("loan C") to A for a term of 16 months from the advance dates and maturing on the final maturity date with any outstanding accrued interest. The loans to A are secured by two invention patents owned by it, interest bearing at 3.45% p.a. and repayable in September 2025.

On 29 November 2024, the Group entered into a tripartite loan novation agreement with A and connected party C, which is the holding company of A to assume, from 1 December 2024, all A's rights and obligations in and under the loan A and part of loan B in a total principal amount of RMB8,500,000. The loan novated to C are secured by two invention patents owned by it, interest bearing at 3.65% p.a. and repayable in September 2025.

During the year ended 31 December 2025, part of loan receivable amount of approximately HK\$2,905,000 (equivalent to RMB2,658,900) was settled by A.

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26. LOAN RECEIVABLES (CONTINUED)

Note: (Continued)

(a) (Continued)

On 28 July 2025, the Group entered into a supplemental agreement with A, pursuant to which the Group agreed to extend the repayment date of the remaining loan receivables amounts of approximately HK\$4,585,000 (equivalent to RMB4,141,000) to 31 December 2025 and the interest rate changed to 3.1% p.a.. On 29 December 2025, the Group further entered into a supplemental agreement with A, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2027 and the interest rate changed to 3% p.a.. The loans to A are secured by two invention patents owned by it and the interest rate changed interest bearing at 3.00% p.a..

On 28 July 2025, the Group entered into a supplemental agreement with C, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2025 and the interest rate changed to 3.1% p.a.. On 29 December 2025, the Group further entered into a supplemental agreement with C, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2027 and the interest rate changed to 3% p.a.. The loan to C are secured by two invention patents owned by it, interest bearing at 3.00% p.a..

(b) On 10 July 2023 and 30 August 2023, the Group entered into a loan agreement and a supplemental loan agreement with an independent third party D respectively. The Group has agreed to provide two loan facilities with principal amounts of HK\$2,759,000 (equivalent to RMB2,500,000) and HK\$1,103,000 (equivalent to RMB1,000,000) to D for a term of 23 months and 15 months from the advance dates and maturing on the final maturity date with any outstanding accrued interest. The loans to D are unsecured, interest bearing at 3.65% and 4.5% p.a. and repayable in June 2024.

On 9 December 2024, the Group entered into a supplemental agreement with D, pursuant to which the Group agreed to extend the repayment date of two loan facilities in the total principal amount of RMB3,500,000 to June 2025.

On 26 June 2025, the Group entered into a supplemental agreement with D, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2025.

On 30 December 2025, the Group further entered into a supplemental agreement with D, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2026.

(c) On 2 February 2024, the Group entered into a loan agreement with an independent third party E. The Group has agreed to provide loan facility with principal amounts of HK\$15,119,000 (equivalent to RMB14,000,000) to E for a term of 9 months from the advance date and maturing on the final maturity date with any outstanding accrued interest. The loan to E is unsecured, interest bearing at 3.65% p.a. and repayable in November 2024. On 5 November 2024, the Group entered into a supplemental agreement with E, pursuant to which the Group agreed to extend the repayment date of the loan facility to June 2025.

During the year, part of loan receivable amount of approximately HK\$10,186,000 (equivalent to RMB9,200,000) was settled by E.

On 3 September 2025, the Group entered into a supplemental agreement with E, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2025.

On 31 December 2025, the Group further entered into a supplemental agreement with E, pursuant to which the Group agreed to extend the repayment date of the loan facility to 31 December 2026.

The management of the Group assessed the loss allowances for each of the loan receivables individually. As at 31 December 2025, approximately HK\$3,486,000 (2024: HK\$5,716,000) impairment loss was made against loan receivables and accrued interest on an individual assessment basis. Details of impairment assessment of loan receivables are set out in note 37.

27. STRUCTURED SHORT-TERM BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Financial assets measured at FVTPL:		
At the beginning of the year	104,884	–
Addition	–	104,752
Changes in fair value	351	132
Disposal	(105,235)	–
	–	104,884
Analysed for reporting purpose as:		
Current assets	–	104,884

Note:

During the year ended 31 December 2024, the Group entered into structured short-term bank deposits agreements ("**Deposits Agreements**") with a bank in the PRC. The banks guaranteed 100% of the invested principal amount and floating interest rates of 1.30% to 2.00% p.a. with maturity periods ranging from 31 days to 92 days, the floating interest rates apply on such deposits are linked to the GoldInpm Index as specified in the Deposits Agreements. Such deposits were matured and disposed during the year ended 31 December 2025.

After management's assessment of the Group's business model for managing financial assets and that the management's contractual cash flow test shows those cash flows represent solely payments of principal and interest ("**SPPI**"), the Group's structured bank deposits did not meet the HKFRS 9 criteria for classification at amortised cost and FVTOCI, as their cash flows did not represent solely payments of principal and interest. As a result, the Group recognised these structured bank deposits as financial assets at fair value through profit or loss.

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28. BANK BALANCES AND CASH AND RESTRICTED BANK BALANCE

(a) Bank balances and cash

	2025 HK\$'000	2024 HK\$'000
Bank balances and cash (Note)	179,894	65,009

Note:

The bank balances carry interest rates ranging from 0.01% to 2% (2024: 0.01% to 2.50%) p.a..

As at 31 December 2025 and 2024, the Group performed impairment assessment on bank balances and cash concluded that the probability of defaults of the counterparty banks are insignificant and, accordingly, no allowance for credit losses is provided.

Details of impairment assessment of bank balances as at 31 December 2025 and 2024 are set out in note 37.

(b) Restricted bank balance

As at 31 December 2025, the restricted bank balance of approximately HK\$11,072,000 (equivalent to RMB10,000,000) represented restricted cash due to a litigation claim (2024: HK\$10,799,000 equivalent to RMB10,000,000). Pursuant to the court decision in September 2025, the litigation claim was dismissed by the Local People's Court and is awaiting the final court decision from the Intermediate People's Court.

29. TRADE AND OTHER PAYABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Trade payables	(i) & (ii)	21,166	15,231
Other payables		7,725	10,638
Accruals		12,034	22,798
		40,925	48,667

Notes:

- (i) The average credit period on purchases of goods is 120 days (2024: 120 days). The Group has in place financial risk management policies to ensure that all payables are settled within the credit time frame.
- (ii) An ageing analysis of the trade payables at the end of the reporting period based on transaction date is as follows:

	2025 HK\$'000	2024 HK\$'000
0–30 days	9,125	6,614
31–60 days	1,141	1,422
61–90 days	394	180
Over 90 days	10,506	7,015
	21,166	15,231

30. CONTRACT LIABILITIES

The Group has recognised the following revenue-related contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Contract liabilities	18,288	17,671

Movements in contract liabilities

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	17,671	25,161
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year	(17,671)	(25,161)
Increase in contract liabilities as a result of advanced consideration received from customers	18,048	18,104
Exchange realignment	240	(433)
Balance at 31 December	18,288	17,671

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31. BANK BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Secured borrowings:		
Bank loans	87,843	77,605
Unsecured borrowings:		
Bank loans	–	21,707
	87,843	99,312
Repayable as follows:		
On demand or within one year	32,329	43,305
More than five years	55,514	56,007
	87,843	99,312
Less: Bank borrowings due within one year shown under current liabilities	32,329	43,305
Amounts due after one year	55,514	56,007

Note:

The bank loans are secured by:

- (i) the Group's buildings included in property, plant and equipment (Note 16) amounted to HK\$8,243,000 (2024: HK\$9,204,000);
- (ii) land use rights under right-of-use assets (Note 17) amounted to HK\$6,280,000 (2024: HK\$6,400,000);
- (iii) contributed capital of a subsidiary of the Company, Guangdong Watsin Genetic Engineering Development Co., Limited, amounted to RMB30,000,000 (2024: RMB30,000,000); and
- (iv) the personal guarantee of a director which is also a shareholder of the Company and a key management of a subsidiary of the Company.

31. BANK BORROWINGS (CONTINUED)

The range of effective interest rates, from date of commencement of interest becoming chargeable on the Group's bank loans are as follows:

	2025	2024
Effective interest rates:		
Bank loans	2.7% to 3.75% p.a	2.32% to 4.44% p.a

32. LEASE LIABILITIES

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
As at 1 January	15,875	11,220
Effect of modification of lease terms	–	8,965
Interest expense	520	473
Lease payments	(6,737)	(4,521)
Currency realignment	256	(262)
As at 31 December	9,914	15,875

The analysis of the present value of future lease payments is as follows:

	2025 HK\$'000	2024 HK\$'000
Current liabilities	5,920	6,180
Non-current liabilities	3,994	9,695
	9,914	15,875

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33. DEFERRED TAX

The following are movements of the deferred tax recognised during the years:

	Tax losses HK\$'000	Leases HK\$'000	Others HK\$'000 (note)	Total HK\$'000
At 1 January 2024	(2,155)	(12)	(1,260)	(3,427)
Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income (note 11)	2,140	1,185	(1,625)	1,700
Exchange realignment	15	(12)	50	53
At 31 December 2024	–	1,161	(2,835)	(1,674)
Charged/(credited) to the consolidated statement of profit or loss and other comprehensive income (note 11)	–	(317)	987	670
Exchange realignment	–	18	(57)	(39)
At 31 December 2025	–	862	(1,905)	(1,043)

Note: The amount represents mainly deferred tax assets arising from loss allowance for doubtful debts and written-down of inventories.

At 31 December 2025, the Group had other deductible temporary differences of HK\$5,018,000 (2024: HK\$7,287,000) mainly consisted of allowance for doubtful debts and leases. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at the end of the reporting period, the Group had unused tax losses of approximately HK\$7,218,000 (2024: HK\$4,467,000) available for offset against future profits.

At 31 December 2025 and 2024, no deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profits streams.

33. DEFERRED TAX (CONTINUED)

The losses will expire within ten years from the year in which they arose because according to the announcement published by the PRC tax authorities on 11 July 2018, tax losses arising from entities qualifying as New and High Technology Enterprise can be carried for ten years effective from 1 January 2018. Accordingly, the expiry of the tax losses arising from subsidiaries that qualify as New and High Technology Enterprise is extended from five years to ten years.

The unused tax losses will expire in the following years:

	2025 HK\$'000	2024 HK\$'000
2025	–	38
2026	48	48
2027	2,823	2,832
2028	214	215
2029	1,185	1,334
2030 and after	2,947	–
Total unused tax losses	7,217	4,467

Presentation in the consolidated statement of financial position:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	(2,575)	(4,123)
Deferred tax liabilities	1,532	2,449
	(1,043)	(1,674)

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34. SHARE CAPITAL

	Notes	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.01 each			
Authorised:			
At 1 January 2024, 31 December 2024 and 31 December 2025		500,000,000,000	5,000,000
Issued and fully paid:			
At 1 January 2024		6,364,768,147	63,648
Cancellation of shares	(i)	(393,540,000)	(3,936)
At 31 December 2024, 1 January 2025 and 31 January 2025		5,971,228,147	59,712

- (i) During the year ended 31 December 2024, the Company paid in aggregate HK\$24,833,000 to buy back 307,540,000 ordinary shares of HK\$0.01 each from the Stock Exchange from 2 January 2024 to 7 October 2024, at the highest price of HK\$0.093 and the lowest price of HK\$0.062 per share, and the excess paid over the par value of the ordinary shares was debited to the Company's share premium account. The repurchased ordinary shares were fully cancelled during the year ended 31 December 2024.

35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investments in subsidiaries	41	224,638	149,762
Current assets			
Deposits and prepayments		591	666
Bank balances and cash		1,161	1,180
		1,752	1,846
Current liabilities			
Amounts due to subsidiaries		56,606	36,846
Other payables and accruals		3,801	4,069
		60,407	40,915
Net current liabilities		(58,655)	(39,069)
Net assets		165,983	110,693
Capital and reserves			
Share capital	34	59,712	59,712
Reserves		106,271	50,981
Total equity		165,983	110,693

Mr. Chen Da Wei
Director

Mr. Kingsley Leung
Director

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35. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (CONTINUED)

	Share premium HK\$'000	Treasury shares HK\$'000 (note 34)	Share-based payment reserve HK\$'000	Distributable reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	751,756	(5,167)	41,015	1,291,798	(2,036,476)	42,926
Profit and total comprehensive income for the year	–	–	–	–	28,769	28,769
Repurchase and cancellation of shares	(26,064)	5,167	–	–	–	(20,897)
Transfer from share-based payment reserve to accumulated losses	–	–	(1,188)	–	1,188	–
Recognition of equity-settled share-based payment expenses (note 38)	–	–	183	–	–	183
At 31 December 2024 and 1 January 2025	725,692	–	40,010	1,291,798	(2,006,519)	50,981
Profit and total comprehensive income for the year	–	–	–	–	70,819	70,819
Dividend recognised as distribution	(16,540)	–	–	–	–	(16,540)
Transfer from share-based payment reserve to accumulated losses	–	–	(13,987)	–	13,987	–
Recognition of equity-settled share-based payment expenses (note 38)	–	–	1,011	–	–	1,011
At 31 December 2025	709,152	–	27,034	1,291,798	(1,921,713)	106,271

36. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt, and equity attributable to owners of the Company, comprising share capital and reserves.

The directors review the capital structure on an annual basis. As part of this review, the directors focus on the cost of capital and the risks associate with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the issue of new shares.

The Group monitors capital using a gearing ratio, which is total debt divided by total capital plus total debt. Total debt is calculated as borrowings, loan from a connected party and lease liabilities. Capital includes equity attributable to owners of the Company.

36. CAPITAL RISK MANAGEMENT (CONTINUED)

	2025 HK\$'000	2024 HK\$'000
Total debt	97,757	115,187
Equity attributable to the owners of the Company	413,247	325,645
Total debt and equity	511,004	440,832
Gearing ratio	19.13%	26.13%

37. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	2025 HK\$'000	2024 HK\$'000
Financial assets		
Financial assets at amortised cost	298,389	180,118
Financial assets at FVTPL	–	105,293
Financial assets at FVTOCI	1,580	–
	299,969	285,411
Financial liabilities		
Financial liabilities at amortised cost	127,838	142,386

b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, loan receivables, bank balances and cash, bank borrowings, trade and other payables, amount due to a related party, loan from a connected party and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

None of the Group entities had any significant sales or purchases denominated in currencies other than the functional currency of the relevant group entities. Thus, the Group does not have any currency risk exposure.

(ii) Interest rate risk

The Group is mainly exposed to cash flow interest rate risk primarily in relation to variable-rate bank balances. The Group currently does not have interest rate hedging policy. However, the Group monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

As at 31 December 2025 and 2024, if interest rate on borrowings had been higher/lower by 50 basis points of current interest rate, with other variables held constant, profit for the years ended 31 December 2025 and 2024 would have been approximately HK\$439,000 and HK\$168,420, higher/lower, respectively.

(iii) Credit risk

As at 31 December 2025 and 2024, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge obligations by the counterparties or debtors is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group assesses the potential customer's credit quality by reviewing its shareholding information, financial position and reputation in the industry. For new customers which are not listed companies and without historical business relationship, the Group may request to receive advance from customers. Credit term will be granted if there are ongoing repayment without default. If there are indicators that the customer's credit quality is getting worse, the Group will take follow-up action to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 on trade balances individually or based on provision matrix. In this regard, the directors consider that Group's credit risk is significantly reduced.

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

During the year ended 31 December 2025, a net impairment loss of HK\$1,216,000 (31 December 2024: HK\$4,260,000) in respect of the trade receivables was recognised.

The credit risk on bank balances and bills receivable are limited because the counterparties are banks with high credit ratings.

As at 31 December 2025, the Group had concentration of credit risk of approximately 2.55% (2024: 10.35%) and 3.9% (2024: 11.04%) of the total trade receivables due from the Group's largest customer and the five largest customers respectively. As at 31 December 2025 and 2024, all trade receivables were from customers located in the PRC.

The Group's internal credit risk grading assessment comprises an identification of the following risk categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty is a large listed company with a low risk of default and does not have any default history	Lifetime ECL — not credit impaired	12-month ECL
High risk	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL — not credit impaired	Lifetime ECL — not credit impaired
Doubtful	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit impaired	Lifetime ECL — credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off	Amount is written off

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's major financial assets which are subject to ECL assessment:

Financial assets at amortised costs

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount		Net carrying amount	
					2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Bank balances	28	AAA	Low risk	12-month ECL	179,894	65,009	179,894	65,009
Bills receivables	25	A+ to AAA	Low risk	12-month ECL	22,007	15,449	22,007	15,449
Other receivables	25	N/A	Low risk	12-month ECL	11,047	9,929	10,496	9,143
Loan receivables	26	N/A	Low risk	12-month ECL	24,318	36,388	20,832	30,672
Trade receivables	25	N/A	Note a	Lifetime ECL (provision matrix)	20,087	11,210	16,783	9,225
			Low risk (Note b)	Lifetime ECL	55,985	49,847	51,635	45,568
			Doubtful	Lifetime ECL	1,160	1,131	-	-

Note:

- (a) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for internal credit rating of low risk or doubtful, the Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers (excluding large listed companies which are classified as low risk under internal credit rating) because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2025 and 2024 within lifetime ECL (not credit impaired).

- (b) Debtors with significant outstanding balances and with gross carrying amounts of HK\$55,986,000 (2024: HK\$49,847,000) as at 31 December 2025 were assessed individually. As all these debtors with significant balances are listed companies with good financial position based on their public annual reports and without recent default history, they are all classified as low risk and loss rate ranging from 6.5% to 12.4% (2024: 7.3% to 14.1%) is applied. Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2025, the balances of such individually assessed trade receivables are HK\$1,160,000 (2024: HK\$1,131,000) and full impairment was made of these receivables.

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

Gross carrying amount of trade receivables assessed using provision matrix:

2025	Average loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net trade receivables HK\$'000
Current (not past due)	14%	16,518	2,350	14,168
1–30 days past due	16%	1,761	280	1,481
31–90 days past due	17%	494	82	412
91–270 days past due	26%	479	126	353
More than 270 days past due	56%	835	466	369
		20,087	3,304	16,783

2024	Average loss rate	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Net trade receivables HK\$'000
Current (not past due)	16%	8,513	1,335	7,178
1–30 days past due	18%	1,260	229	1,031
31–90 days past due	20%	801	162	639
91–270 days past due	29%	411	119	292
More than 270 days past due	63%	225	140	85
		11,210	1,985	9,225

The above loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

As at 31 December 2025, the Group provided HK\$3,340,000 (2024: HK\$1,985,000) impairment allowance for trade receivables, based on the provision matrix. Impairment allowance of HK\$4,355,000 (2024: HK\$4,279,000) were made on debtors with significant balances.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	3,338	1,154	4,492
Change for the year:			
— Impairment losses recognised	4,260	–	4,260
Exchange adjustments	(1,334)	(23)	(1,357)
As at 31 December 2024 and 1 January 2025	6,264	1,131	7,395
Change for the year:			
— Impairment losses recognised	1,216	–	1,216
Exchange adjustments	174	29	203
As at 31 December 2025	7,654	1,160	8,814

At 31 December 2025, the Group's trade receivables included in the allowance for doubtful debts with an aggregate balance of HK\$8,814,000 (31 December 2024: HK\$7,395,000) was impaired. The Group does not hold any collateral over these balances.

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

The movement of loss allowances for other receivables during the year are as follows:

	Total HK\$'000
As at 1 January 2024	401
Expected credit loss on other receivables recognised during the year	969
Written-off as uncollectable	(576)
Exchange adjustments	(8)
As at 31 December 2024 and 1 January 2025	786
Expected credit loss on other receivables recognised during the year	(240)
Exchange adjustments	5
As at 31 December 2025	551

The Group writes off a trade receivable or/and other receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables or/and other receivable are over two years past due, whichever occurs earlier.

As at 31 December 2025, the Group had no written-off of trade receivables (31 December 2024: written-off of HK\$1,216,000).

As at 31 December 2025, the Group had no written-off of other receivables (31 December 2024: written-off of HK\$576,000).

For loan receivables, the Group assessed the loss allowances for each of the loan receivable individually. As at 31 December 2025, impairment allowance for the loan receivables amounted to approximately HK\$3,486,000 (2024: HK\$5,716,000) was provided based on the financial position and the economic environment the borrowers operate.

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37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Market risk (Continued)

(iii) Credit risk (Continued)

The movement of loss allowances for loan receivables during the year are as follows:

	Total HK\$'000
As at 1 January 2024	2,299
Expected credit loss on loan receivables recognised during the year	3,518
Exchange adjustments	(101)
As at 31 December 2024 and 1 January 2025	5,716
Expected credit loss on loan receivables recognised during the year	(2,343)
Exchange adjustments	113
As at 31 December 2025	3,486

Liquidity risk

The Group had net current assets amounting to approximately HK\$230,792,000 at 31 December 2025 (2024: HK\$195,283,000).

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for their non-derivative financial liabilities based on the agreed repayment terms. The tables have been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest is floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

37. FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

2025	Weighted average effective interest rate %	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Non-derivative financial liabilities							
Trade and other payables	N/A	24,866	24,866	24,866	-	-	-
Lease liabilities	3.88	9,914	10,698	6,357	814	2,442	1,085
Amount due to a related party	N/A	5,215	5,215	5,215	-	-	-
Bank borrowings	3.45	87,844	151,985	33,102	-	-	118,883
		127,839	192,764	69,540	814	2,442	119,968
2024	Weighted average effective interest rate %	Carrying amount HK\$'000	Total contractual undiscounted cash flow HK\$'000	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000	More than 5 years HK\$'000
Non-derivative financial liabilities							
Trade and other payables	N/A	21,936	21,936	21,936	-	-	-
Lease liabilities	3.71	15,875	17,133	6,673	6,225	2,382	1,853
Amount due to a related party	N/A	5,263	5,263	5,263	-	-	-
Bank borrowings	3.50	99,312	117,350	44,405	-	-	72,945
		142,386	161,682	78,277	6,225	2,382	74,798

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37. FINANCIAL INSTRUMENTS (CONTINUED)

c. Fair value measurements

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include bank balances and cash, trade and other receivables, loan receivables, amount due to a related party, loan from a connected party, and trade and other payables.

Due to their short term nature, the carrying value of bank balances and cash, trade and other receivables, loan receivables, amount due to a related party, loan from a connected party, and trade and other payables approximates fair value.

(b) Financial instruments measured at fair value

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair value.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
As at 31 December 2025				
Financial assets at FVTOCI	–	–	1,580	1,580
As at 31 December 2024				
Convertible promissory note	–	–	409	409
Structured short-term bank deposits	–	104,884	–	104,884

38. SHARE-BASED PAYMENT TRANSACTIONS

The equity-settled share option scheme of the Company

On 26 September 2016, a New Share Option Scheme was adopted by the Company ("**2016 Scheme**") and replaced the share option scheme approved on 22 September 2006.

Under the 2016 Scheme, which is valid for a period of ten years, the board of directors of the Company may, at its discretion grant options to subscribe for shares in the Company to eligible participants ("**Eligible Participants**") who contribute to the development and growth of the Group. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity ("**Invested Entity**") in which the Group holds an equity interest; (ii) any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group, and, for the purposes of the New Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

At 31 December 2025, the number of shares in respect of which options had been granted and remained outstanding under the share option scheme was 432,895,000 (2024: 604,135,000), representing 7.25% (2024: 10.12%) of the ordinary shares in issue at that date.

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38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The equity-settled share option scheme of the Company (Continued)

Details of the share option movements during the years ended 31 December 2025 and 2024 under the 2016 Scheme are as follows:

	Outstanding at 1.1.2025 '000	Granted during the year '000	Exercised during the year '000	Lapsed during the year '000	Cancelled during the year '000	Outstanding at 31.12.2025 '000
12 September 2014 Directors	-	-	-	-	-	-
12 September 2014 Others	-	-	-	-	-	-
23 January 2015 Employees	10,880	-	-	(10,880)	-	-
23 January 2015 Others	33,100	-	-	(33,100)	-	-
10 July 2015 Directors	7,260	-	-	(7,260)	-	-
17 August 2015 Others	120,000	-	-	(120,000)	-	-
27 January 2016 Employees	20,700	-	-	-	-	20,700
27 January 2016 Others	1,300	-	-	-	-	1,300
7 October 2016 Directors	10,880	-	-	-	-	10,880
3 April 2017 Employees	34,950	-	-	-	-	34,950
3 April 2017 Others	2,010	-	-	-	-	2,010
16 November 2017 Directors	16,073	-	-	-	-	16,073
9 April 2018 Senior management	11,990	-	-	-	-	11,990
9 April 2018 Employees	20,224	-	-	-	-	20,224
5 July 2018 Others	3,000	-	-	-	-	3,000
9 April 2019 Directors	66,179	-	-	-	-	66,179
9 April 2019 Employees	62,449	-	-	-	-	62,449
9 April 2019 Others	3,300	-	-	-	-	3,300
2 April 2020 Employees	35,780	-	-	-	-	35,780
2 April 2020 Others	35,000	-	-	-	-	35,000
31 August 2020 Executive Directors	33,380	-	-	-	-	33,380
31 August 2020 Non-executive Directors	25,680	-	-	-	-	25,680
1 November 2024 Non-executive Directors	50,000	-	-	-	-	50,000
	604,135	-	-	(171,240)	-	432,895
Exercisable at the end of the year						415,895
Weighted average exercise price	HK\$0.17	-	-	-	-	HK\$0.14

38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The equity-settled share option scheme of the Company (Continued)

	Outstanding at 1.1.2024 '000	Granted during the year '000	Exercised during the year '000	Lapsed during the year '000	Cancelled during the year '000	Outstanding at 31.12.2024 '000
12 September 2014 Directors	8,560	–	–	(8,560)	–	–
12 September 2014 Others	360	–	–	(360)	–	–
23 January 2015 Employees	10,880	–	–	–	–	10,880
23 January 2015 Others	33,100	–	–	–	–	33,100
10 July 2015 Directors	7,260	–	–	–	–	7,260
17 August 2015 Others	120,000	–	–	–	–	120,000
27 January 2016 Employees	20,700	–	–	–	–	20,700
27 January 2016 Others	1,300	–	–	–	–	1,300
7 October 2016 Directors	10,880	–	–	–	–	10,880
3 April 2017 Employees	34,950	–	–	–	–	34,950
3 April 2017 Others	2,010	–	–	–	–	2,010
16 November 2017 Directors	16,073	–	–	–	–	16,073
9 April 2018 Senior management	11,990	–	–	–	–	11,990
9 April 2018 Employees	20,224	–	–	–	–	20,224
5 July 2018 Others	3,000	–	–	–	–	3,000
9 April 2019 Directors	66,179	–	–	–	–	66,179
9 April 2019 Employees	62,449	–	–	–	–	62,449
9 April 2019 Others	3,300	–	–	–	–	3,300
2 April 2020 Employees	35,780	–	–	–	–	35,780
2 April 2020 Others	35,000	–	–	–	–	35,000
31 August 2020 Executive Directors	33,380	–	–	–	–	33,380
31 August 2020 Non-executive Directors	25,680	–	–	–	–	25,680
1 November 2024 Non-executive Directors	–	50,000	–	–	–	50,000
	563,055	50,000	–	(8,920)	–	604,135
Exercisable at the end of the year						570,635
Weighted average exercise price	HK\$0.18	–	–	–	–	HK\$0.17

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38. SHARE-BASED PAYMENT TRANSACTIONS (CONTINUED)

The equity-settled share option scheme of the Company (Continued)

On 1 November 2024, 50,000,000 were granted to the director and the estimated fair value of the options granted was approximately HK\$1,835,781. The share option will be exercisable from 1 November 2024 to 31 October 2034. Among the aggregate of 50,000,000 share options granted, 16,500,000 share options were vested during the year ended 31 December 2024. The remaining shares options will be vested in 2 tranches with 16,500,000 and 17,000,000 share options to be vested on 1 November 2025 and 1 November 2026 respectively. The share options will vest automatically provided that the employees still remain in office on the vesting date.

The fair values of the share options granted on 1 November 2024 were calculated using the Binomial model. The inputs into the model were as follows:

Spot price (closing price of grant date)	HK\$0.066 per share
Exercise price	HK\$0.066 per share
Expected volatility	49.66%
Expected Life	10 years
Risk-free rate	3.41%
Expected dividend rate	0%
Exit rate	0%

The Group recognised the total expense of HK\$1,011,000 for the year ended 31 December 2025 (2024: HK\$183,000) in relation to options granted under the share option scheme and the award shares of the Group.

39. CAPITAL COMMITMENTS

	2025 HK\$'000	2024 HK\$'000
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of		
— purchases of property, plant and equipment	14,985	6,528
— purchases of intangible assets	10,000	212
— research and development activities	6,848	1,198
	31,833	7,938

40. RELATED AND CONNECTED PARTIES DISCLOSURES

- (a) Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related and connected parties:

Related party	Nature of balances/transactions	2025 HK\$'000	2024 HK\$'000
Shenzhen Tongchuang Biological Engineering Co., Limited (" Shenzhen Tongchuang ") (Notes (i) and (ii)) 深圳市同創生物工程有限公司	Amount due to a related party	5,215	5,263
	Modification of right-of-use asset (Note 17)	–	8,719
Connected party			
Guangzhou Taili Biomedical Technology Co., Ltd. (" Guangzhou Taili ") (Notes (iii)) 廣州太力生物醫藥科技有限公司	Loan receivables (Note 26)	4,585	7,343
	Loan interest income	605	459
	Service expense	–	2
Dongguan Taili Bioengineering Co., Ltd. (" Dongguan Taili ") (Notes (iii)) 東莞太力生物工程有限公司	Loan receivables (Note 26)	9,411	9,180
	Loan interest income	346	28

Notes:

- (i) The amount is unsecured, non-interesting bearing and repayable on demand.
 - (ii) Shenzhen Tongchuang is an indirect subsidiary of Greater Bay Capital Limited, in which the close family members of a director, and a director and shareholder of the Company have beneficial interests.
 - (iii) Common director, Mr. Kingsley Leung.
- (b) The key management personnel of the Group comprises all the directors of the Company and the five highest paid individuals. Details of compensation of directors and the five highest paid individuals are included in note 14, there was no other remuneration paid to key management personnel during the years ended 31 December 2025 and 2024.

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41. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of major subsidiaries at 31 December 2025 and 2024 are disclosed as follows:

Name of subsidiary	Place/country of incorporation/ registration and operation	Principal activities	Proportion of issued share capital/ registered capital held by the Company		Particulars of issued and paid up share capital
			2025	2024	
Directly held					
Leilion Holding Limited	British Virgin Islands/ Hong Kong	Investment holding	100%	100%	2 Ordinary shares of US\$1 each
Indirectly held					
Uni-Bio Management Limited	Hong Kong	Provision of management services	100%	100%	1 Ordinary share of HK\$1
Uni-Bioscience Pharm Co. Limited	Hong Kong	Distribution of pharmaceutical products	100%	100%	1 Ordinary share of HK\$1
Beijing Genetech Pharmaceutical Co., Limited (note) 北京博康健基因科技有限公司	The PRC	Manufacture and sales of chemical and biological products	100%	100%	Contributed capital of RMB91,000,000
Shenzhen Watsin Genetech Limited (note) 深圳市華生元基因工程發展有限公司	The PRC	Manufacture and sales of biological products	100%	100%	Contributed capital of RMB100,000,000
Uni-Bio Science Healthcare (Beijing) Co. Limited (note) 聯康永泰生物科技(北京)有限公司	The PRC	Sales and marketing	100%	100%	Contributed capital of RMB500,000
Beijing Taili Science and Technology Innovation Biological Engineering Co., Ltd 北京太力科創生物工程有限公司	The PRC	Manufacture and sales of chemical and biological products	100%	100%	Contributed capital of RMB100,000,000
Guangdong Watsin Genetic Engineering Development Co., Limited 廣東華生元基因工程發展有限公司	The PRC	Manufacture and sales of biological products	100%	100%	Contributed capital of RMB30,000,000

Note: PRC companies above are established as wholly foreign owned enterprises in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries are either investment holding or inactive would, in the opinion of the directors, result in particulars of excessive length.

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES AND NON-CASH TRANSACTION

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Amount due to a related party HK\$'000 (note 40)	Lease liabilities HK\$'000 (note 32)	Loan from a connected party HK\$'000	Bank borrowings HK\$'000 (note 31)
As at 1 January 2024	5,104	11,220	3,432	41,647
Financing cash flows	–	(4,048)	–	–
Interest paid	–	(473)	–	(716)
Cash advance from a related party	5,133	–	–	–
Repayment to a connected party	–	–	(3,432)	–
Proceeds from bank borrowings	–	–	–	70,404
Repayment of bank borrowings	–	–	–	(10,963)
Repayment to a related party	(3,283)	–	–	–
Non-cash transactions:				
Effect of modification to lease terms	–	8,965	–	–
Exchange adjustments	(1,691)	(262)	–	(1,776)
Interest expenses	–	473	–	716
At 31 December 2024	5,263	15,875	–	99,312
Financing cash flows	–	(6,217)	–	–
Interest paid	–	(520)	–	(986)
Cash advance from a related party	4,773	–	–	–
Proceeds from bank borrowings	–	–	–	41,854
Repayment of bank borrowings	–	–	–	(52,914)
Repayment to a related party	(3,634)	–	–	–
Non-cash transactions:				
Exchange adjustments	(1,187)	256	–	(409)
Interest expenses	–	520	–	986
At 31 December 2025	5,215	9,914	–	87,843

Notes to the Consolidated Financial Statements

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42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES AND NON-CASH TRANSACTION (CONTINUED)

(b) Non-cash transaction

During the year 31 December 2025, the Group recognised a financial assets at FVTOCI of approximately HK\$1,580,000, part of financial assets at FVTOCI of approximately HK\$517,000 was transferred from convertible promissory note, the transaction has no impact on the consolidated statement of cash flows for the year ended 31 December 2025. Details of this transaction are set out in Notes 22 and 23.

43. COMPARATIVE FIGURES

The Group has revisited the presentation of bank balances and cash during the current year and the comparative figure related to a restricted bank balance included in the bank balances and cash has been reclassified to restricted bank balance to conform with the current year's presentation for more appropriate disclosure purpose.

Five-Year Financial Summary

A summary of the consolidated results and of the assets and liabilities of the Group for the past five financial periods is set out below:

	For the year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
REVENUE	586,211	552,980	484,718	440,316	353,405
PROFIT/(LOSS) BEFORE TAXATION	101,521	91,170	75,900	43,287	(20,012)
INCOME TAX (EXPENSE)/CREDIT	(8,194)	(8,396)	(5,024)	(4,775)	421
PROFIT/(LOSS) FOR THE YEAR	93,327	82,774	70,876	38,512	(19,591)
ATTRIBUTABLE TO: OWNERS OF THE COMPANY	93,327	82,774	70,876	38,512	(19,591)
PROFIT/(LOSS) FOR THE YEAR	93,327	82,774	70,876	38,512	(19,591)

ASSETS AND LIABILITIES

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
TOTAL ASSETS	579,803	517,552	409,992	262,471	267,593
TOTAL LIABILITIES	166,556	191,907	152,818	(97,725)	(93,286)
EQUITY	413,247	325,645	257,174	194,746	174,307

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Kingsley LEUNG (*Chairman*)
Mr. CHEN Dawei (*Vice-chairman*)
Mr. ZHAO Zhi Gang (*Chief executive*)
Dr. WEN Yalei (*Chief Operating Officer*)

Non-executive Director

Mr. YAU Kwok Wing Tony
Ms. ZHANG Qing

Independent Non-Executive Directors

Mr. CHOW Kai Ming
Mr. REN Qimin
Mr. MA Qingshan

AUDIT COMMITTEE

Mr. CHOW Kai Ming
(*Chairman of the Audit Committee*)
Mr. REN Qimin
Mr. MA Qingshan

REMUNERATION COMMITTEE

Mr. CHOW Kai Ming
(*Chairman of the Remuneration Committee*)
Mr. Kingsley LEUNG
Mr. REN Qimin
Mr. MA Qingshan

NOMINATION COMMITTEE

Mr. Kingsley LEUNG
(*Chairman of the Nomination Committee*)
Ms. ZHANG Qing
Mr. CHOW Kai Ming
Mr. MA Qingshan
Mr. REN Qimin

COMPANY SECRETARY

Ms. HO Wing Yan (*ACG, HKACG (PE)*)

AUTHORIZED REPRESENTATIVES

Mr. Kingsley LEUNG
Mr. CHEN Dawei

AUDITORS

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Certified Public Accountants

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